

THE ROLES OF ELECTRONIC PROCUREMENT SERVICE (LAYANAN PENGADAAN SECARA ELEKTRONIK/ LPSE) IN ORGANIZING PROCUREMENT SERVICE SYSTEM

(Study at LPSE of Communications and Informatics Service of Malang City)

UNDERGRADUATE THESIS

As Undergraduate Thesis submitted to achieve Bachelor Degree Title
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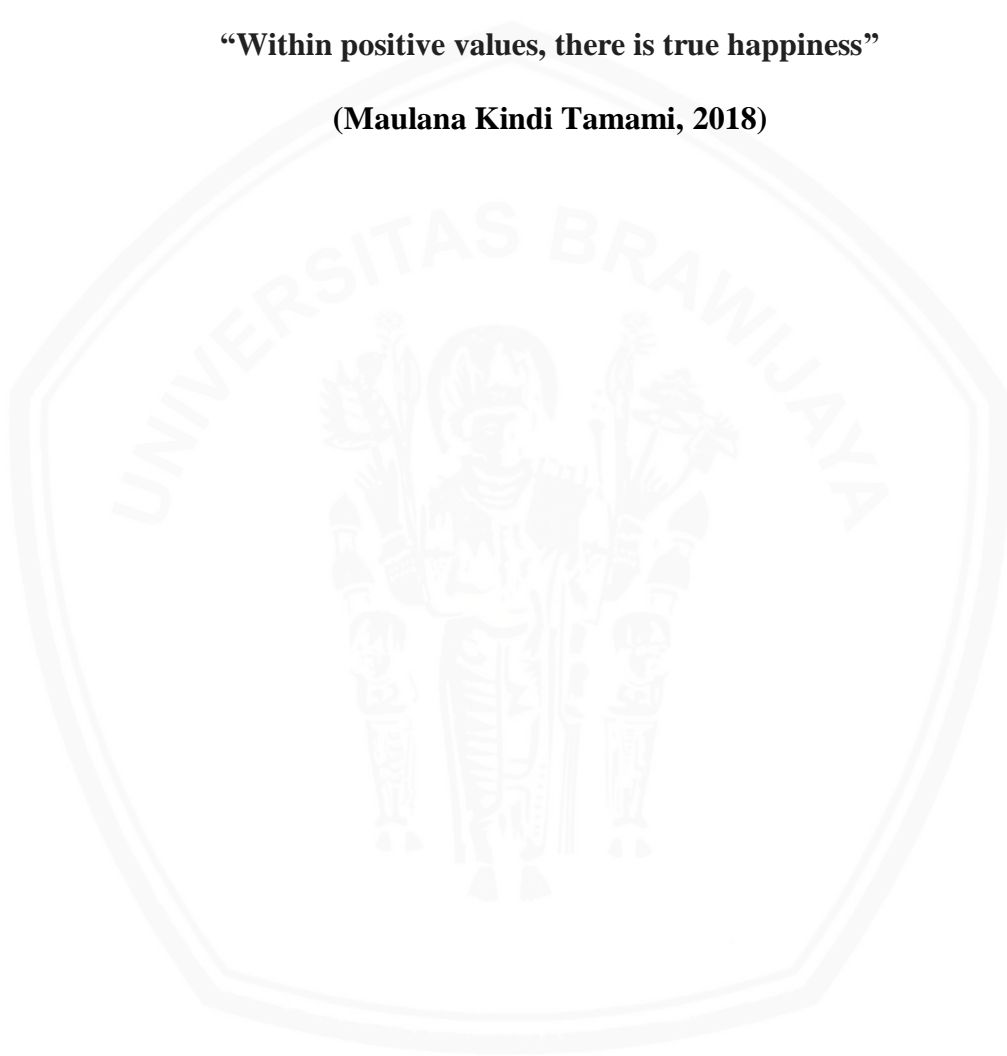
MOTTO

“Never forget and do the purpose of God created human in this world”

(Maulana Kindi Tamami, 2018)

“Within positive values, there is true happiness”

(Maulana Kindi Tamami, 2018)



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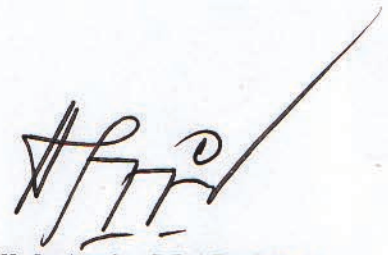
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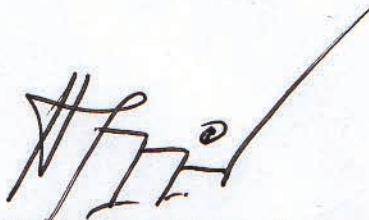
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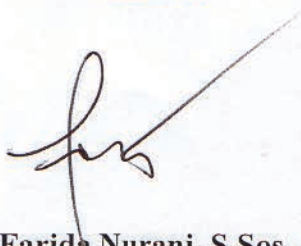
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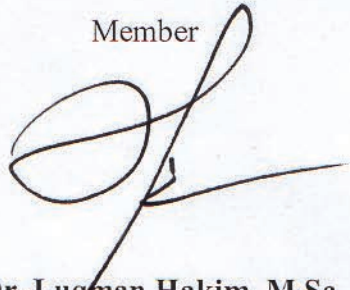
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STATEMENT OF THESIS ORIGINALITY

I declare truthfully that as far as I am concerned in the text of the thesis entitled **“The Roles of Electronic Procurement Service (Layanan Pengadaan Secara Elektronik/LPSE) In Organizing Procurement Service System (Study at LPSE of Communications and Informatics Service of Malang City)”** no scientific work has been submitted by any other party to obtain works or opinions once written or published by any other person, except those quoted in this text and cited in the source of quotations and references.

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Malang, July 25th 2018



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RINGKASAN

Maulana Kindi Tamami, 2018, **PERAN LAYANAN PENGADAAN SECARA ELEKTRONIK (LPSE) DALAM MENYELENGGARAKAN SISTEM PELAYANAN PENGADAAN (Studi di LPSE Dinas Komunikasi dan Informatika Kota Malang)** Dr. Fadillah Amin, M.AP., Ph.D

Salah satu hal yang penting dalam pembangunan nasional adalah untuk memenuhi kebutuhan masyarakat dan pemerintah sendiri atas barang/jasa. Pemerintah Republik Indonesia telah mengeluarkan Peraturan Presiden No. 4 2015 tentang keempat amandemen dari Presiden peraturan No. 54 tahun 2010 dan Peraturan Presiden No. 16 Tahun 2018. Di kota Malang, rintangan pengadaan biasanya timbul dari masalah internal antara lain: (i) Nasional pengadaan Portal (INAPROC) (ii) gangguan layanan LPSE Dinas Komunikasi dan Informatika Kota Malang sehubungan dengan keberadaan SPSE versi terbaru. Oleh karena itu, peran dari setiap institusi/lembaga (termasuk LKK dan LPSE) yang terlibat dapat mengatasi hambatan yang ada dalam Sistem Pengadaan Secara Elektronik (SPSE).

Penelitian ini menerapkan pendekatan kualitatif dengan jenis Penelitian deskriptif yang didasarkan pada perumusan masalah, penelitian ini menginginkan data berbentuk teks sebagai sumber utama data yang diperoleh dari wawancara. Fokus penelitian adalah peran LPSE, kendala yang dihadapi oleh LPSE, dan upaya-upaya yang dilakukan oleh LPSE Dinas Komunikasi dan Informatika Kota Malang. Data penelitian ini berasal dari wawancara dengan seluruh struktur LPSE Dinas Komunikasi dan Informatika Kota Malang. Tujuan dari penelitian ini adalah menyebutkan serta menganalisis peran LPSE, menyebutkan serta menganalisis semua hambatan yang dihadapi oleh LPSE dalam menyelenggarakan SPSE, dan mendeskripsikan serta menganalisis segala upaya yang dilakukan oleh LPSE untuk mengatasi kendala yang dihadapi dalam menyelenggarakan SPSE.

Berdasarkan data dan analisis, setiap struktur organisasi LPSE Dinas Komunikasi dan Informatika Kota Malang melakukan perannya sesuai dengan etika dan norma yang terdapat pada peraturan presiden No. 16 tahun 2018 serta Presiden peraturan No. 54 tahun 2010. Kendala penyelenggaraan SPSE terdapat pada kurangnya koordinasi dengan LKPP, budaya pengadaan konvensional yang masih melekat, dan error aplikasi SPSE. Usaha LPSE untuk mengatasi kendala masih banyak yang belum berhasil. Berkaitan dengan hasil penelitian yang dilakukan oleh peneliti, Ada beberapa saran yang ingin diberikan seperti: akan lebih baik jika otoritas LPSE Kota Malang ditingkatkan untuk Unit Administrasi Sistem Elektronik LPSE. Sehingga, ketergantungan pada LKPP apabila terjadi kendala dalam Sistem Pengadaan Secara Elektronik berkurang dan LPSE dapat dengan mudah dan secara independen mengatasi hambatan dalam menyelenggarakan Sistem Pengadaan Secara Elektronik dari segi teknis.

Kata Kunci: Layanan Pengadaan Secara Elektronik (LPSE), Sistem Pengadaan Secara Elektronik (SPSE), Peran

ABSTRACT

Maulana Kindi Tamami, 2018, **THE ROLES OF ELECTRONIC PROCUREMENT SERVICE (LAYANAN PENGADAAN SECARA ELEKTRONIK/LPSE) IN ORGANIZING PROCUREMENT SERVICE SYSTEM (Study at LPSE of Communications and Informatics Service of Malang City)** Dr. Fadillah Amin, M.AP., Ph.D

One of the important things in national development is to meet the needs of society and the government itself on goods/services. The Government of the Republic of Indonesia has issued Presidential Regulation No. 4 of 2015 About the Fourth Amendment of Presidential Regulation No. 54 of 2010 and Presidential Regulation No. 16 of 2018. In Malang City, the obstacles of Electronic Procurement Service (LPSE) usually arise from internal problems among others: (i) National Procurement Portal (INAPROC) (ii) Disturbance service of LPSE of Communications and Informatics Service of Malang City in connection with the existence of e-Procurement System version update. Therefore, the roles of each institutions (including LKPP and LPSE) whose involved can overcome the obstacles in the Electronic Procurement System.

This research applies qualitative approach using descriptive research type that based on the formulation of problems, this research wants text-shaped data as the main data source that obtained from interviewees. The focuses of research are the roles of LPSE, the obstacles faced by LPSE, and the efforts undertaken by LPSE. The data of this research are from interviews with the entire structure of LPSE Communications and Informatics Service of Malang City. Objectives of this research are mention and analyze the roles of LPSE, mention and analyze any faced obstacles by LPSE in organizing e-Procurement System, and describe and analyze any efforts undertaken by LPSE to overcome the obstacles faced in organizing e-Procurement system.

Based on data and analysis, each LPSE Communications and Informatics Service of Malang City organizational structure performs its role in accordance with the ethics and norms contained in the presidential regulation No. 16 of 2018 and President of Regulation No. 54 of 2010. Obstacles in organizing SPSE are lack coordination with LKPP, the conventional procurement culture that is still inherent, and error at SPSE application. LPSE's efforts to overcome obstacles are still many that have not been successful. In connection with the results of research conducted by researcher, there are several suggestions to be given such as: it would be better if the LPSE authority of Malang City was improved for Electronic System Administration Unit. Thus, dependence on LKPP in the event of an obstacle in the Electronic Procurement System is reduced and LPSE can easily and independently overcome obstacles in carrying out the e-Procurement in terms of technical aspects.

Keywords: Electronic Procurement Service (LPSE), e-Procurement, Roles

PREFACE

Assalamu'alaikum Wr.Wb.

Praise the gratitude of the researcher to the presence of Allah SWT because of overflow of grace thesis with title **“The Roles of Electronic Procurement Service (Layanan Pengadaan Secara Elektronik/LPSE) In Organizing Procurement Service System (Study at LPSE of Communications and Informatics Service of Malang City)”** is can be finished by researcher. This thesis is done in order to fulfill one of the requirements to obtain a Bachelor degree of Public Administration Sciences at the Faculty of Administrative Sciences Universitas Brawijaya.

The researcher would like to extend their gratitude for the help of those who have provided assistance and support during the process of preparing this thesis, namely:

1. Prof. Mr. Dr. Bambang Supriyono, MS as the Dean of the Administrative Sciences Faculty of Universitas Brawijaya of Malang City;
2. Mr. Andy Fefta Wijaya, Drs, MDA, Ph. D as the Chairman of Public Administration Department of Administrative Sciences Faculty of Universitas Brawijaya of Malang City
3. Fadillah Amin, Dr., M.AP., Ph. D as the Chairman of Public Administration Science Program of Administrative Sciences Faculty of Universitas Brawijaya of Malang City and as the Chairman of Supervisor Thesis who has provided guidance and direction and patience to continue to provide constructive input for this thesis that can be finished properly;

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10. And all related parties who have helped to complete this thesis. May Allah SWT will repay the favor of all parties who have helped the implementation up to the preparation of this thesis.

Researcher hope to all parties to provide useful input for the improvement of this research in the future. Researcher apologize if there are wrong words and do not pleasing in the heart, it comes solely from the researcher and if there is

something useful it comes solely from Allah SWT. So, hopefully this thesis can be useful for all of us in understanding the reality and thinking about the future of e-Procurement in Indonesia. Amin.

Wassalamu'alaikum Wr.Wb.

Malang, July 25th 2018

Researcher



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CHAPTER I

INTRODUCTION

1.1 Background of Research

Various ways have been done by the government in order to make national development run better. One of them is by utilizing information technology as optimal as possible. Along with the development of the times, information technology is growing rapidly so that data, information, and knowledge can be created very quickly and disseminated to the whole society. Optimizing the utilization of information technology is one of the right ways for national development to run better in the future. One of the important things in national development is to meet the needs of society and the government itself on goods/services. One of the efforts undertaken by the government to meet the need for goods/services is by issuing presidential regulation.

The Government of the Republic of Indonesia has issued Presidential Regulation No. 4 of 2015 about the Fourth Amendment of Presidential Regulation No. 54 of 2010 About Procurement of Government Goods/Services. It is said in the regulation that to accelerate the implementation of state expenditure and to accelerate the implementation of development, there needs to be innovation in the implementation of procurement of goods/services conducted by the government with the utilization of information technology. Further explained in the Explanation of Presidential Regulation No. 4 of 2015 on the Fourth Amendment Presidential Regulation No. 54 of 2010 on Procurement of Government Goods/Services in general is the acceleration of development implementation

which is the responsibility required by the government. It is supported by the accelerated implementation of state expenditure that implemented through the procurement of government goods or services. However, in the procurement of goods/services the government sometimes finds obstacles caused by several things.

Obstacles in the implementation of procurement of goods/services one of them can be overcome with the utilization of information technology in the implementation process. Utilization of information technology other than aimed at reducing the burden of procurement of goods/services governing the government also aim to maintain the accountability side in the implementation of procurement of goods/services government. Government procurement method innovation is needed in the implementation of acceleration of government spending, especially on goods/services much needed by the government to realize an ideal procurement.

In order to realize the procurement of clean and accountable government goods/services, the government through *Lembaga Kebijakan Pengadaan Barang/Jasa Pemerintah* (LKPP) has made several reform efforts by requiring Ministries/Institutions/Agencies/Local Governments to implement procurement of goods/services through electronic systems facilitated by e-Procurement Services. One of the electronic system-based services by the Government of Indonesia through LKPP with Electronic Procurement Service (*Layanan Pengadaan Secara Elektronik/LPSE*) which is as a work unit and located in several cities/districts throughout Indonesia is Electronic Procurement System (SPSE). E-Procurement

System which can be accessed through LPSE website of each city/regency representative. *Lembaga Kebijakan Pengadaan Barang/Jasa Pemerintah*, hereinafter abbreviated as LKPP, is a non-ministerial government institution responsible to the President. LKPP regulates the function of formulating and formulating strategies and determining standard policies and procedures in the field of procurement of goods/services including government procurement of business entities in the framework of government cooperation with business entities. E-Procurement is implementing through *Sistem Pengadaan Secara Elektronik* (SPSE) organized by *Layanan Pengadaan Secara Elektronik* (LPSE). If so far, the procurement of goods and services in government agencies is done through manual channels, so now with the procurement policy electronically all government procurement and goods must be through electronic channels, through the official website of ministries, central, regional and government agencies.

According to some experts, the procurement of goods/services is loaded manually with various weaknesses used by the auction committee and by the provider. For example, the emergence of closed and fragmented procurement market conditions, so that procurement can only be done by users and limited providers (less transparent). The procurement process of government goods and services also takes a long time from procurement announcements to the announcement of the winners and their implementation, thereby becoming one of the causes of the low absorptive capacity of the state budget. Implementation of e-Procurement will provide benefits that can be utilized by users and providers of electronic auctions: the auction process faster, more efficient, because it does not

have to submit a document that is usually stacked auction. In general, the implications of e-Procurement are the creation of transparency, improving the effectiveness and efficiency of procurement, achieving the quality of goods/services as needed, increasing the number and competitiveness of contractor/vendor bidders, and facilitating monitoring evaluations. In the end, budget leakage and slow budget absorption can be overcome.

Theoretically, based on the description above the procurement of goods/services electronically more effective than manually, both by users and providers of goods/services. However, often theoretically good instruments do not. According to surveys conducted by multilateral banks (ADB, World Bank, and The Inter-American Development Bank) mention the existence of various problems in the implementation of e-Procurement in Europe, Asia, Oceania, and South America. These problems include (Curtin University: 2007): (i) lack of supplier's trust in the system, (ii) lack of integrated systems, (iii) processes and documents are not uniform, (iv) system is not supported by electronic procurement regulation, (v) lack of market information and price references, and (vi) technological issues. Based on these data indicate that the implementation of e-Procurement is not easy even for a relatively developed European country also still have problems or obstacles related to e-Procurement.

In Indonesia, the concept of e-Procurement was developed in 2006 by BAPPENAS (before LKPP was formed). Some issues during the establishment of e-Procurement in Indonesia include (UN publications: 2006): (i) lack of legal framework, (ii) limited technological infrastructure, (iii) unavailability of legal

regulations related to digital documents, and (iv) internet low and paralyzed between western and eastern Indonesia. Although at the beginning of the establishment there are many obstacles, e-Procurement program continues to run. Currently, there are many agencies both state ministries/agencies and local governments that use e-Procurement. In the implementation of the e-Procurement service system does not always run smoothly, so the full purposes of the e-Procurement service system are difficult to achieve. Common obstacles that are often experienced in electronic-based services that connect to the internet are (Javed Hussan: 2014) the lack of knowledge and facilities, this causes many people are not interested to switch to electronic-based services because of the difficult process and its happened in Indonesia.

Some efforts have been done by the Government of Indonesia to overcome the obstacles of service-based electronic systems such as e-Procurement service system that is connected to the internet, ranging from internal factors to external factors improvement. E-Procurement expected as the Government of Indonesia's main solution to overcome the problem of procurement with a conventional system. However, (BPKP: 2014) the obstacles that exist in conventional procurement are not all solved by using electronic-based procurement which then becomes the homework for the government especially such as corruption, collusion, and nepotism. Based on data from the website (<https://acch.kpk.go.id/id/statistik/tindak-pidana-korupsi/tpk-berduk-type-internet>) update November 30th 2017, the high corruption type of goods/services procurement in Indonesia has been started since 2004 until 2017 which always

occupies the second position even in the first position with the highest corruption crime from 2004 to 2009. Then, it is explained in the conclusion of the results of the audit of electronic auction in the procurement of government goods and services by the Financial Supervisory Board and the construction of 22 December 2014 i.e. e-Tendering (one form of e-Procurement service) has not been able to eliminate corruption, collusion, and nepotism in the procurement of goods and services, mainly due to human factors that do not intend good in procurement of goods and services. Regionally, in some areas of Indonesia, obstacles are sometimes different or the same things. One of them occurred in Malang City that experienced obstacles maybe different or same to other regions in Indonesia.

In Malang City, the obstacles of electronic procurement usually arises from internal problems among others: (i) *Portal Pengadaan Nasional* (INAPROC) server problem which experienced problem since Tuesday, August 23th, 2016, at 21:30 WIB to 24:00 WIB impact on LPSE pages nationally, among others: The provider cannot log on all LPSE and the committee cannot access other e-Procurement application pages, (ii) Disturbance service of LPSE of Communications and Informatics Service of Malang City in connection with the existence of SPSE version update, then for a while on February 26th, 2016, LPSE Service of Malang City will experience disruption/inaccessible, (iii) Temporary closure of the e-Catalogue/e-Purchasing Application. In the meantime, e-Catalogue/e-Purchasing app services are inaccessible from Friday, January 8th, 2016 at 5:00 pm to Monday, January 11th, 2016 at 8:00 am. This temporary service closure is due to maintenance of the e-Catalog/e-Purchasing system.

Roles by every institutions/agencies that working together on e-Procurement services as well as the roles of LKKP and LPSE itself is important to overcome the existing obstacles in the e-Procurement service system. Based on the obstacles that have been described above researcher wants to research how the obstacles come up to completion. Thus, the roles of various institutions or agencies and LPSE as the organizers are expected to provide a good e-Procurement service system and be able to resolve existing obstacles that can start from internal to external obstacles. Each LPSE representative of the city/district must have its own different ways and may have similarities to resolve the obstacles in organizing the e-Procurement service system. Just like LPSE of Communications and Informatics Service of Malang City which is the research site of this undergraduate thesis has a way that maybe different or same of LPSE from other regions in Indonesia to overcome the existing obstacles.

1.2 Formulation of Problems

Based on the description of the background, then the formulation of the problems to be researched is as follows:

1. What are the roles and the obstacles faced by LPSE of Communications and Informatics Service of Malang City in organizing e-Procurement system?
2. How are the efforts undertaken by LPSE of Communications and Informatics Service of Malang City to overcome the obstacles faced in organizing e-Procurement system?

1.3 Objectives of Research

Based on the formulation of problems, the objectives of this research are:

1. Mention and analyze the roles and obstacles faced by LPSE of Communications and Informatics Service of Malang City in organizing e-Procurement system;
2. Describe and analyze any efforts undertaken by LPSE of Communications and Informatics Service of Malang City to overcome the obstacles faced in organizing e-Procurement system.

1.4 Benefits of Research

Based on the objectives of research, the benefits of this research are:

1. Theoretic Benefits
 - a. This research is expected to be useful theoretically that is through the contribution of theory and analysis for the interest of future research and;
 - b. Useful for the development of science, especially the field of e-Procurement.
2. Practical Benefits
 - a. The results of this research are expected to be a reference and proposed materials for LPSE of Communications and Informatics Service of Malang City in running e-Procurement system as organizer;
 - b. The result of this research is expected to be reference in making of similar scientific work and in addition to library collection of Universitas Brawijaya.

1.5 Structure of Thesis

In order to understand the outline of this undergraduate thesis, the author provide structure of thesis that consist of the whole arrangement of this undergraduate thesis in simple form, so it will be easier for the reader to understand it. This structure of thesis consists of five chapters, there are:

CHAPTER I INTRODUCTION

In this chapter describes the background of research The Roles of LPSE in Organizing e-Procurement System. In this chapter also describes the formulation of the problem as a limitation of research, then explanation related to objectives of research, benefits or research both academically and practically, and structure of thesis.

CHAPTER II LITERATURE REVIEW

This chapter is a description some of theories as the basis used by this researcher. The theories or concepts described in this chapter can also be used as an instrument of data analysis that has been obtained by researcher in the field.

CHAPTER III RESEARCH METHOD

This chapter discusses what research method used by researcher in this study. This research method consists of: type of research, focus of research, location and site of research along with the reason, data sources, data collection methods, research instruments, analysis method, and validation of data.

CHAPTER IV DISCUSSION

This chapter describes the results of research that has been done. This chapter includes the display of data obtained during the research, in accordance with the research focus which is the answer of the formulation of problems, then data analysis.

CHAPTER V CLOSING

This chapter is the conclusions of the results of research that has been done based on the data displayed and theoretic analysis by researcher: later, in this chapter also contains an explanation of the roles of LPSE in organizing e-Procurement system collected by researcher to see the obstacles and solutions which has been and would be done in the future by LPSE of Communications and Informatics Service of Malang City.

CHAPTER II

LITERATURE REVIEW

2.1 Public Administration

The term Administration is etymologically derived from the Latin (Greek) which consists of two words namely "ad" and "ministrant" which means "to serve" which means to serve or fulfill. While the opinion of A. Dunsire is quoted back by Keban (2008: 2) the administration is defined as the direction, the government, the implementation activities, the guidance activities, the creation of the principles of public policy implementation, the activities of analyzing, balancing and presenting decisions, as individual and group work in generating public goods and services, and as an arena for academic and theoretical work. Public understanding is a number of people who have the same thoughts, feelings, expectations, attitudes and actions are right and good based on the values of the norms they have (Syafi'ie et al in Pasolong, 2011: 6).

Public administration, according to Chandler and Plano in Keban (2008: 4) is the process by which resources and public personnel are organized and coordinated to formulate, implement and manage decisions in public policy. While Keban states that the term Public Administration shows how the government acts as a sole authorized agent or as a regulator, active and always initiative in organizing or taking steps and initiatives, which they think is important or good for society because it is assumed that society is a passive party, less able, and must obey and receive whatever government regulated (Keban, 2008: 4).

It conditions of activity, Public Administration is a characteristic of a more generic concept - administration. Administration has been defined as a cooperative effort towards achieving some common goals. Therefore defined, administration can be found in several institutional settings such as a business firm, a hospital, a university, a government department, etc. As a characteristic of this more generic concept Public Administration is that species of administration which operates within a specific political setting? It is an instrument for translating political decisions into reality; it is "the action part of government, the means through which the purposes and goals of government are realized". Nigro and Nigro (1980) have recognized the following five significant features of Public Administration: (i) It is a cooperative group effort in a public setting, (ii) It covers all three branches legislative, executive and judicial and their inter relationships, (iii) It has a significant role in the formulation of public policy, and is therefore a part of the political procedure, (iv) It is dissimilar in important ways from private administration, (v) It is closely associated with numerous private groups and individuals in providing services to the community.

Public Administration is a dedicated academic field. It essentially deals with the machinery and procedures of government activities. Administration has been defined as a cooperative human effort towards achieving some common goals. Therefore defined, administration can be found in several institutional settings such as a business firm, a hospital, a university, a government department and soon. As a characteristic of this more generic concept, Public Administration is that species of administration which operates within a specific political setting. It

is a means through which the policy decisions made through the political decision makers are accepted out. Public Administration is decision creation, planning the work to be done, formulating objectives and goals, working with the legislature and citizen organizations to gain public support and funds for government programs, establishing and revising organization, directing and supervising employees, providing leadership, communicating and getting communications, determining work methods and procedures, appraising performance, exercising controls and other functions performed through government executives and supervisors. It is the action part of the government, the means through which the purposes and goals of the government are realized. Some well recognized definitions of Public Administration are: (i) "Public Administration is detailed and systematic execution of public law. Every scrupulous application of law is an act of administration"— L.D. White. Public Administration is "the art and science of management applied to the affairs of the State"(Wilson, 1887). (ii) "Through Public Administration is meant in common usage the activities of the executive branches of the National, State and Local Governments" (H. Simon, 1991).

The Public' characteristic of Public Administration gives the discipline a special character. It can be looked at formally to mean government'. So, Public Administration is government administration, the focus being specifically on public bureaucracy. This is the meaning commonly used in discussing Public Administration. Public Administration, in a wider sense, has sought to expand its ambit through including any administration that has considerable impact on the public. From this standpoint, a private electricity undertaking like the Calcutta

Electric Supply Corporation can be measured a fit subject of discussion under Public Administration. It is, though, in the first sense that Public Administration is usually measured.

Public Administration is generally used by the government to perform its duties, functions, and obligations that largely serve the community and meet the needs of the community. In order to fulfill the needs of the society the government undertakes the name of public services, create public policies and draft its regulations. Public services in the present can be done in various ways, especially with the rapid development of information technology and knowledge. E-Government is one of the concept of utilization of information technology conducted by the government in general in carrying out public services to meet the needs of the community.

2.1.1 Scope and Domain of Public Administration

We shall now attempt to discuss the scope of the discipline of Public Administration. The scope can be studied under two heads:

1. The Domain

Public Administration is the complex of governmental activities that are undertaken in public interest at dissimilar stages such as the central, state or provincial (in a federal set-up) and local stages. The discipline of Public Administration aims at a systematic revise of these activities. Government, as political authority, is the major regulator of social life. With the emergence of democracy and the concept of welfare state, the governmental activities have increased through leaps and bounds. The historical movement has therefore

been from regulation to service and welfare. The police state has slowly given place to popular governance in the interest of widest possible public welfare in secure association with the people themselves.

Expanding governmental activities have resulted in expansion of the bureaucracy, creation of dissimilar forms of public and semipublic organizations, raising public expenditure, and overall control over public life. Since government has come to have such widespread influence and control over public life, its organization, basis of authority, functions, finances, and impact on society have been subjected to intellectual examination. The area chosen through Public Administration has usually been "executive action" or the activities of the executive organ of the government. This means really a revise of the bureaucracy: its structure, functions, and behavior. But, the other organs of government such as the Legislature and the Judiciary have' also been found useful in Public Administration analysis.

The policy-forming impetus comes from the legislature, and the legislative committees very often undertake significant vigilance and control function. The Estimates Committee, the Public Accounts Committee, Committee on Public Undertakings etc. could be mentioned as examples of such Committees. Likewise, the judiciary often adjudicates on quasi-judicial issues and passes significant judgments affecting executive operations. Judicial administration itself forms a major component of Public Administration. Therefore, the revise of Public Administration is basically focused on the executive' no doubt; but an adequate understanding of Public

Administration is not possible without taking into account the legislative and the judicial administration as well.

2. The Scope

It is widely acknowledged that the scope of the discipline of Public Administration has to be wide enough to respond to the complex social realities of today. Major concerns of the discipline are:

- a. Promoting (publicans': In a democratic society, Public Administration has to be explicitly 'public' in conditions of democratic values, power sharing and openness. This calls for a new climate in the bureaucracy. Public Administration, in practice, has to absorb the principles of democracy as an overarching form of the government;
- b. Policy Sensitivity: As governments are described upon to play increasingly active roles in times of rapid changes and social crisis, innovative and timely policy formulation becomes 'a prime necessity in the government. This would necessitate a new preparedness within the administrative set-up that had hardly any precedence in the past;
- c. Implementation Capability: Effective policy implementation is going to test the coping capability of the governments in today's complex situations. Goals have to be clearly set; planning, programming and projections have to be followed step through step; and project management in all its ramifications has to have top priority in government. The strength of administration and the legitimacy of the government itself would depend more and more on the administration's

capability to deliver the goods in time and in response to the demands of the citizens;

- d. Shared understanding of social reality: The capability to cope with social and administrative complexity can be enhanced through a deliberate policy of organizational openness. The underlying assumption here is the administration needs to understand the diverse interests and influences. In today's complex administrative world, construction of administrative reality has to be based on the shared understanding of its actors such as the men at the top, the middle managers, the employees, and the citizens. The centralized, insular bureaucracy does not fit in with the contemporaneous socio-administrative reality;
- e. Administration as a learning experience: Shifting social reality and complex environmental circumstances impose sure rigors on Public Administration today. Rusted 'principles' of the past or the administrative recipes of bureaucratic routine are no longer appropriate tools for analysis and problem solving. Public Administration in modern times has to be proactive, innovative, risk-taking, and often adventurous. This new, entrepreneurial zeal is expected to transform 'bureaucracy' into a new type of learning organization, more adaptable to changes, more open to new insights and innovations, and more accessible to the clientele;

These are the major concerns of government in all democratic countries. In the developing countries, these have added significance, as Public Administration has a pivotal role to play in the socio-economic reconstruction of post-colonial

societies. The discipline of Public Administration cannot live in isolation. It has to develop' in secure association with the dynamic social changes. As a body of knowledge, it necessity develop explanatory strength to analyze socio-economic complexity and assist in the ushering in of a new society free of use and human misery, poverty and deprivation of the past era.

2.2 Public Procurement

Public procurement is continuing to evolve both conceptually and organizationally. That evolution accelerated during the 1990s as governments at all levels came under increasing pressures to “do more with less.” Indeed, all governmental entities of rich and poor countries are struggling in the face of unrelenting budget constraints; government downsizing; public demand for increased transparency in public procurement; and greater concerns about efficiency, fairness, and equity. Additionally, public procurement professionals have faced a constantly changing environment typified by rapidly emerging technologies, increasing product choice, environment concerns, and the complexities of international and regional trading agreements. Further, policy makers have increasingly used public procurement as a tool to achieve socioeconomic goals. In this environment, public procurement has become much more complex than ever before, and public procurement officials must deal with a broad range of issues. They have been walking on a tightrope in:

1. Balancing the dynamic tension between (i) competing socioeconomic objectives, (ii) national economic interests, and (iii) global competition as required by regional and international trade agreements;

2. Satisfying the requirements of fairness, equity, and transparency;
3. Maintaining an overarching focus on maximizing competition;
4. Utilizing new technology to enhance procurement efficiency, including e procurement and purchase cards.

Procurement officials have to constantly weigh the trade-off s between conflicting procurement objectives, for example:

1. Quality and Cost Trade-off

Public procurement officials constantly face difficult choices between cost and quality. Should they pick Firm A, which proposes \$25,000 for an item at a quality of 90 percent of the best item available in the market, or Firm B, which proposes \$27,000 for a similar item at a quality of 97 percent of the best item available? Quality cannot be considered without regard to cost, just as cost cannot be considered without regard to quality.

2. Timeliness and Cost Trade-off

Assume that a public procurement official has two offers for an item. Firm A, a local firm, proposes \$50,000 for a contract and will deliver the item within two days after receiving an order, and Firm B, located in another part of the state, proposes \$45,000 for the same item, and it takes him or her two extra days as compared with Firm A. Which firm should receive the contract?

3. Risk and Cost Trade-off

Public procurement officials may decide to pay a higher price to a responsible firm than gamble on a firm that cannot affirm its responsibility. Likewise, public procurement officials may decide to pay a higher award price to a firm

which based on an evaluation of his or her relative technical and business management strengths is more likely than a competitor to succeed in meeting the government's objectives. There may also be an inverse relationship between the goals of minimizing risk and maximizing competition. If minimizing technical risk were the only procurement goal, public procurement officials would tend to award only to firms who successfully performed the same or similar work on their previous contracts.

4. Socioeconomic Objectives and Cost Trade-off

Government entities often pay a premium, explicitly or implicitly, to accomplish socioeconomic goals. The Buy American Act authorizes government entities, under certain circumstances, to pay a higher price for domestic-made goods vis-à-vis foreign made goods. On the other hand, socioeconomic programs, despite their cost, have arguably contributed to accomplishing other procurement goals. The small business program, despite its cost, has provided considerable work for small businesses and in doing so can be said to have been effective in creating new sources of supply, thus maximizing competition.

5. Competition and Cost Trade-off

The primary benefit of competition is its demonstrated success in reducing contract prices. On the other hand, this benefit of competition is subject to diminishing returns. And, the government incurs an additional cost for every offer it considers (e.g., the salary expenses of government workers who read the offer, technically evaluate it, apply price-related factors, and if the offer

has a reasonable prospect for award in negotiated acquisitions discuss it with the offeror). This suggests that there is an optimum level of competition for any given acquisition. This is among the reasons that the Federal Acquisition Regulation now allows for “efficiency” in terms of narrowing the number of offerors in the competitive range with whom a contracting officer must negotiate prior to award.

2.2.1 Public Procurement Framework

The United Nations viewed public procurement as an “overall process of acquiring goods, civil works and services which includes all functions from the identification of needs, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration through the end of a services’ contract or the useful life of an asset” (United Nations Development Programme, UNDP, 2007). Although procurement process is the heart of a sound procurement system (Harink, 1999), public procurement, according to Harink (1999, p. 15), “involves more than the procurement process alone” and it should not only consist of supporting, but also “important components” including strategy and policy of the organization, methods and procedures, personnel and organization, and information. In the last decade, several authors and organizations have suggested conceptual procurement models. The World Bank has developed a framework of procurement assessment under its “Country Procurement Assessment Review.” This framework consists of four elements: legal framework, institutional framework and capacity, procurement operations and practice, and integrity of the procurement system. This framework provides

basic guidelines or a procurement benchmarking tool for assessing the quality and performance of country procurement systems. Detailed areas covered under this framework include (i) legal framework, (ii) institutional framework, (iii) procurement execution capacity, (iv) procurement procedures / tools, (v) control system, (vi) anticorruption initiatives, (vii) private sector participation, (viii) contract management, and (iv) system for addressing complaints (Araujo, 2004).

In the United States, the Government Accountability Office (2005) suggested a conceptual framework for assessing the procurement function that is based on four “cornerstones”: organizational alignment and leadership, policies and processes, human capital, and knowledge and information management. Most recently, in 2006, the OECD developed a procurement assessment model, based on indicators from OECD-DAC (Development Assistance Committee)/World Bank Round Table, which was convened in the period 2003 to 2004 (OECD-DAC, 2006). The model consists of four “pillars” including legislative and regulatory framework, institutional framework and management capacity, procurement operations and market practices, and integrity and transparency of the public procurement system.

Analyzing the above models, this author revisited his previous model (Thai, 2001) and the revised model consists of (i) public procurement system and (ii) a government framework and environment within which the procurement system is operated. The public procurement system can be operated effectively or ineffectively depending on its four pillars: procurement organization, procurement

laws and regulations, procurement workforce, and procurement process and procedures.

2.2.2 Governmental Framework

The term “government” implies the organizational structure and leadership within a country. In this framework, public procurement is one of many government functions, and the procurement system can be prescribed in the national constitution (like in South Africa where the public procurement is provided in its constitution) or determined through procurement laws and regulations and through policy and budget decisions by legislators and the executive branch. It is important that the “public procurement system is mainstreamed and well-integrated into the public sector governance system” (OECD-DAC, 2006, p. 20).

Organizationally, public procurement is dictated by the government system. In general, there are two major government systems: unitary and federal. In a unitary system, the central government exercises various levels of control over local governments in various countries, be it provincial or local governments. Local government procurement structure and process are dictated by the national government. For example, in Uganda, the central government regulates local governments’ public procurement structure and process. An amended Local Governments Act was enacted in 2006 to provide for the replacement of tender boards of local governments with contract committees, and to regulate the procurement procedures of local governments.

At the other extreme, in the federal system, state and local governments enjoy a high level of autonomy. Each state and each local government are free to create their own procurement structure, methods, and processes. Thus, the public procurement system in the federal system is very fragmented; and there exists a great variation in procurement organizational structure, methods, and processes. The United States of America and Canada are an exemplar federal system. However, in many unitary type countries, too much centralization tends to hinder procurement efficiency.

Within a country, is it in the unitary system or the federal system, public procurement organizations at each level of government can be decentralized or centralized. A decentralized structure must be carried out within the context of a larger organization. In a survey of NIGP (1997) members conducted in 1997, 48 percent of the 700 responding chief procurement officers of local and state governments in the United States reported to the director of the finance department or equivalent; and 21 percent reported to the director of general services department.

In all cases, public procurement officials spanned the boundary between their internal clients and suppliers or contractors. Those who do it well pay particular attention to effective interpersonal relations and the active maintenance of a broad network of business contacts.

2.2.3 Cultural, Administrative, Economic, Legal, and Social Environment

As each country has its own culture and its cultural, administrative, economic, legal, and social traditions, adopting any preconceived procurement system is not effective and appropriate.

1. Economic or Market Conditions

Economic or market conditions have a great influence over the public procurement system's effort to maximize competition. Moreover, the market determines whether or not socioeconomic objectives of procurement are accomplished; whether or not a governmental entity can fulfill its needs; the timeliness of fulfillment; and the quality and costs of purchased goods, services, and capital assets. As there are different levels of economic growth among countries in the world, market conditions may be very favorable in industrialized countries, while they may be less favorable in developing countries. Economists classify three fundamental types of competition: pure, imperfect, and monopoly. At one end of the scale is pure (or perfect) competition. At the opposite end of the scale is monopoly. In between the two, we have a situation defined as imperfect competition, such as oligopoly. Pure or perfect competition exists only under the following circumstances:

- a. Market contains a large number of buyers and sellers of approximately equal importance;
- b. Products traded are homogeneous (a buyer would not desire one particular seller's product over any other's);
- c. Buyers and sellers always have a full knowledge of the market;

- d. Buyers always act rationally and sellers are free to enter and to leave the market at will (Dobler and Burt, 1996, p. 297);
- e. Under this market condition, the supply and demand principle dictates the deal, and suppliers compete for business of a third party by the offer of the most favorable terms as to price, quality, promptness of delivery, or service.

But is it true that under a perfect competition market, “a buyer is able to achieve a solid value with little or no effort” as Fearon et al. (1993, p. 639) stated? Actually, in the competitive automobile market, for example, two buyers pay two different prices for the same type of cars, depending on their buying efforts and negotiation skills.

2. Legal Environment

Different from public procurement regulations and rules, the legal environment refers to a broad legal framework that governs all business activities, including research and development (regulations dealing with safety and health of new products), manufacturing (safety and health regulations at workplace and pollution control), finance (regulations dealing with disclosure of information), marketing (regulations dealing with deceptive advertising and disclosure of product characteristics), personnel (regulations dealing with equal opportunity for women and minorities), and contract law. Indeed, most aspects of contracts public or private such as contract requirements, disputes, and breach of contract are governed under the same contract law. In developing and particularly transitional countries,

where legal systems are not comprehensive, government contracts may need detailed clauses defining basic principles. As “contract administration includes all relationships between the Government and the contractor,” (Cibinic, Jr. and Nash, Jr., 1995, p. 1) the legal rights and duties of the parties determine the proper course of action. Case in Indonesia, there are multiplicity of legal instruments regulating different aspects of public procurement constitutes a source of confusion with the risk of overlapping jurisdiction, and the lack of clarity in important policy and procedural requirements.

A major impediment in achieving effective public procurement in most of the countries of Southeast Asia has been the fragmentation, ambiguities and limited scope of laws, implementing regulations, and procedures. This has given rise to inconsistency, confusion and lack of accountability. To address the problem, in some countries steps have been taken to develop a legal and administrative framework which creates greater coherence in the procurement process, clearly defines the processes and criteria that should be adopted, and the roles and responsibilities of procurement officials and bodies. In some cases, as a further benefit, the framework establishes a more competitive and transparent system of public procurement with greater accountability.

An example of progress in creating a clearer and more coherent system of procurement has been the Philippines. Up to 2003, more than 60 laws, executive orders, presidential decrees and administrative orders governed the

procurement process, which resulted in “confusion and conflicting interpretation ... increasing the likelihood of rigged bidding, delay and irregularities in the bid evaluation process” (GP, WB and ADB, 2003, p. 89).¹ Matters in part have been put to right by the enactment in 2003 of the Government Procurement Reform Act and its implementing regulations. This has imposed a uniform procurement system within the public sector, clearly specifying, amongst other things, the methods and stages of purchasing to be followed, the roles, responsibilities, accountability and manner of appointment of procurement officials and committees. What’s more, these measures have prescribed competitive bidding (within the limits indicated below), and greater transparency (IMF, 2004a; 2005a; GP, WB and ADB, 2003; WB, 2005a; Campos & Syquia, 2005).² Further harmonization of procurement procedures and the use of uniform bidding documents was established in 2004 for local competitive bidding. But uniform and clearly defined procedures have yet to be adopted for tenders involving foreign contracts, and in bidding for consultancy services for donor funded public works projects. The ADB is currently engaged in a program with the Government of the Philippines to overcome the remaining anomalies and ambiguities (ADB, 2005).

3. Political Environment

In a democracy many individuals, groups, and organizations in the private sector including trade associations, professional associations, and business firms or companies (commonly known as interest groups) are

actively involved in all aspects of the public procurement system. Having various interests, objectives, and beliefs, interest groups are involved in the public procurement system in several ways such as lobbying legislative bodies to pass or alter procurement statutes, influencing implementation of these statutes, and influencing budget authorization and appropriation processes. Normally, a government program that is eventually adopted is a compromise among different views of interest groups, policy makers, and management. In this democratic environment, there are cases of a strong coalition of policy makers, bureaucrats, and interest groups in their effort to get their programs adopted.

4. Social Environment

A free media, vibrant civil society, engaged local communities, and an independent citizenry are crucial components for good governance: they have a unique place with respect to holding procurement officials accountable for procurement transparency, fairness, and efficiency. Although procurement transparency can help to facilitate participation and oversight, more proactive engagement of society is also vital: (1) creating concrete opportunities for participation and oversight, for example, through participatory development of procurement regulations and policies, procurement budget allocations, civil society and media oversight over public procurement, monitoring of income and asset declarations, and other arrangements that empower legitimate social groups; (2) helping civil society organizations to build sufficient capacity effectively to take advantage of these opportunities; and (3) enabling the

development of independent and competitive media that can investigate and report on procurement process, including corruption (World Bank, 2006).

5. International Trade Agreement

Markets become more and more globalized through regional and international trade agreements and treaties. According to Becq (2006, p. 3), public procurement is “an area where unification of laws is particularly advanced. Generally, standardization efforts are more pronounced with respects to the selection phase.” There are various significant international instruments promoting standardization which affect different aspects of the procurement contract. Among the most important is the Vienna Convention on the International Sale of Goods which, unless specifically opted out, applies automatically to parties having their place of business in two member countries. In addition to the Government Procurement Agreement, the World Trade Organization’s codes system includes other agreements which are relevant to procurement such as those on reshipment inspection, rules of origin, and technical barriers to trade.

2.2.4 Implications of the Public Procurement Framework

Viewed as a system within the government and environment, public procurement can be effective or ineffective because of the type of government and environment within which the system is operated, or because of the system itself. Indeed, in a country where no democratic government exists, how can its procurement system be transparent and integral? Therefore, “in order for procurement reforms to be successful, governmental structure needs to be

reformed, and the environment has to be improved. In other words, stakeholders (private sector, civil society, and ultimate beneficiaries of procurement/end users) support the creation of a procurement market known for its integrity and ethical behaviors” (OECD-DAC, 2006, p. 45). This procurement framework stresses the needs of an effective governmental structure and leadership, and a sound cultural, economic, political, and social environment. “The welcoming and respectful attitude of the government and the quality of the debate and the contributions of all interested stakeholders are an important part of creating an environment where integrity and ethical behavior is expected and deviations are not tolerated” (OECD-DAC, 2006, p. 45). As discussed in the next section, corruption is widespread in public procurement. To prevent or to reduce corruption, a system for reporting fraudulent, corrupt, or unethical behavior that provides for confidentiality needs to be established outside the public procurement system.

A public procurement system may be ineffective in a sound procurement environment and an effective governmental structure and leadership because all or one of its “pillars” is not efficient. The procurement system may be ineffective because procurement laws and regulations may be too rigid and do not allow any flexibility for procurement personnel in coping with special circumstances, or may not clearly define responsibilities, accountabilities, and penalties for individuals and firms found to have engaged in fraudulent or corrupt practices. The procurement system may be ineffective because a procurement workforce may not be of the quality and quantity essential to good procurement administration. The procurement system may be ineffective because its

procurement process has major flaws or because its procurement organization is too decentralized or too centralized. These pillars procurement laws and regulations, procurement workforce, procurement process and methods, and procurement organization are very important for a sound procurement system.

This framework is a good tool for periodic procurement assessments and reforms. It is important that procurement reform decisions be carefully made as the procurement reform process is costly, in terms of money and in terms of staff's time and work disruptions. But in practice, in quite a few cases, procurement reforms were made not because of perceived flaws in the systems, but because of political ploys. At the same time, should the government conduct periodic procurement review or assessment or should it conduct this as a study when there is crisis?

2.3 E-Procurement (Electronic Procurement)

According to Davila, Tony, Mahendra Gupta, and Richard Palmer (2003) in the journal "Moving Procurement Systems to The Internet", E-procurement is (i) technologies designed to facilitate the procurement of goods via the Internet, (ii) the management of all electronic procurement activities, and (iii) aspects of procurement functions supported by various forms of communication electronically.

The World Bank (2004) in Electronic Government Procurement, the Roadmap states that the Electronic Government Procurement (e-GP: World Bank Draft Strategy 2003) and The Asian Development Bank, GP) is the use of information and communication technology especially the internet by

governments in implementing procurement relationships with suppliers to obtain goods, works, and consulting services required by the public sector.

Electronic procurement systems represent an important development for the purchasing process (Neef, 2001), offering benefits to the organization through purchase process efficiency gains and price reductions (Croom, 2000; Essig and Arnold, 2001; de Boer et al., 2002), enhanced collaborative relationships (Holland, 1995; Dyer, 2000; Tang et al., 2001), and significant opportunity for improving internal services and statutes of the purchasing function (Croom, 2000; Stanley and Wisner, 2001; Osmonbekov et al., 2002; Croom and Johnston, 2003).

Probably because of the combined influence of the relative newness of E-procurement adoption, the perennial issue of research publication lead times and the limited opportunities to date for longitudinal research, much of the existing E-procurement research has concentrated on motivations and expectations relating to E-procurement implementation. In this chapter, we set out to address the need for experience-based research into the operational issues of E-procurement by examining not just the implementation process, but also the experiences from public sector E-procurement operation in both local authorities and national civil government departments. An important question that helped shape this research was: what are the actual benefits being achieved from E-procurement? Our research was conceived initially as an exploratory study and conducted over 18 months across a range of U.K. public sector bodies.

2.3.1 Main Themes in E-Procurement

There are six main themes in e-procurement activities relating to the following:

1. Cost Efficiencies

One of the key themes in the existing literature on E-procurement has been concerned with the economies of information (Evans and Wurster, 2000), in particular, the realization of cost improvements achieved as a result of transactional and process efficiencies. These efficiencies arise through greater opportunity for lower prices from suppliers; from the reduction in process activity needed to complete the total requisition-to-payment process; and through the increased speed of the procurement process and better decision making as a result of improved management information (Min and Galle, 1999; Croom, 2000; Emiliani, 2000; Zsidisin and Ellram, 2001; de Boer et al., 2002; Wyld, 2002). The lure of cost efficiencies has been a major catalyst for the adoption of E-procurement (Croom, 2000) and it has been widely contended in this body of literature that E-procurement implementation will have considerable implications for the design of the procurement process. However, it was contended by Lancioni et al. (2000) that the precise nature of these process changes was empirically unclear. Recently, Yen and Ng (2003) carried out a case study investigation of electronic commerce implementation providing a useful comparison of pre- and post e-Commerce procurement process performances. They support the claims from prior literature that such changes deliver process efficiencies. In

addition to the three categories of efficiency improvement mentioned above, they highlighted four additional sources of cost benefit:

- a. Reduction in costs arising as a result of digitizing catalogs;
- b. Reducing errors in order transmission;
- c. Reductions in inventory;
- d. Reductions in suppliers' marketing costs;

Consequently, improved economies of management information are considered to be a major catalyst for reducing purchase prices through greater transparency of market prices and lower search costs. This observation is supported in the practitioner and general management literature, where there is a plethora of anecdotal case evidence to support the view that electronic procurement is a far more efficient and reliable method for the requisition-to-payment process than preceding manual and semi-automated processes (e.g., Electronic Commerce News, 2003; Hayward, 2003; Moore, 2003; Parker, 2003; Trommer, 2003; Wheatley, 2003).

2. Forms of Transactional Structure

Galliers (1999, pp. 229–230) states that with the advent of inter-organizational systems, and e-commerce in particular, it is clear that questions of alignment go beyond what we have come to know as the Business-IT alignment issue (e.g., Baets, 1992). It is no longer simply a case of internal alignment alone. Such issues now include alignment with collaborating companies' business and IT strategies (Finnegan et al., 1998) and customer requirements (cf., recent heightened interest in customer

relationship management). In other words, an organization's deployment of E-business has a significant impact on suppliers' IT and information system (IS) strategies and on the forms of governance, or transactional, structure employed in the supply chain. How E-procurement may impact supply transactions has been discussed by Holland (1995) and Croom (2001a), both noting that the literature posits two opposing schools of thought. On one side is the view that E-procurement and associated E-business systems will increase the tendency toward arms' length, market forms of transaction because the barriers to entry in electronic transactions are low (Malone et al., 1987, 1989). Indeed, Malone et al. (1987) argued that the electronic brokerage effects of systems such as E-procurement reduce search costs.

Consequently, their view implies that E-procurement adoption would result in a movement away from close, hierarchical relationships to more short-term, market relationships. Barratt and Rosdahl (2002) temper Malone et al.'s position slightly by claiming that ease of search and transparency acts as an advantage to the buyer but may be a disadvantage for the seller. This may, of course, still influence a move toward market-based relationships under E-procurement purely through the attraction to buyers of greater economies in the search process.

In contrast to this view, others have argued that the proprietary nature of certain IOS may in fact serve to tie in customers and suppliers to virtual hierarchies or virtual integration (Johnston and Lawrence, 1988; Johnston and Vitale, 1988; Konsynski and McFarlan, 1990). This would be particularly

important for E-procurement systems that involve complex data exchange (such as links to customer's production or sales schedules). For example, Brousseau (1990) reviewed 26 IOS networks, finding that most were used to reduce production or distribution costs and served to reinforce already existing hierarchical relationships among firms. Evans and Wurster (2000) claimed that the low infrastructure and transaction costs of Internet-based systems not only allowed organizations to exploit the increased opportunities for complex information exchange with multiple partners, but also recognized the value to be gained through closer, hierarchical relationships between regular trading partners (affiliation). Amit and Zott (2001) likewise discussed the importance of close relationships (lock-in) between trading partners as a key source of advantage to both buyer and seller.

3. Classifying the Forms of E-Procurement Transactional Structures

It has been widely recognized in the industrial marketing and purchasing literature that organization will typically have a range of transactional relationships with their supply base. For example, the Robinson et al. (1967) buy class framework distinguished between relationships on the basis of the frequency and variability of the purchased contract. It is our view that it is thus more appropriate to utilize some form of classification of E-procurement governance structures. Thus, in Figure 1, we illustrate five contrasting exchange types employed within E-procurement transactions.

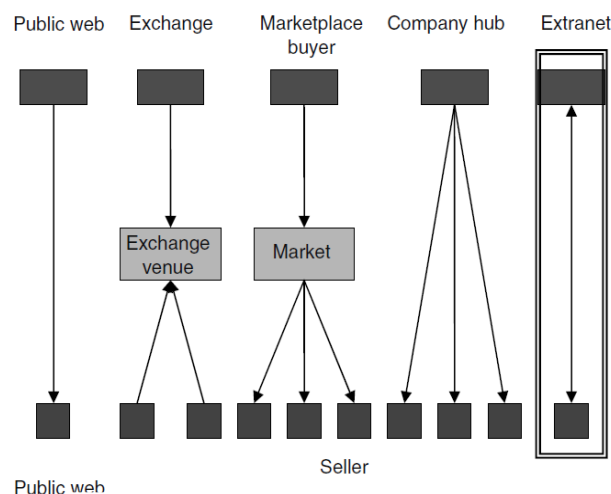
1. Public Web

Via the public web (Internet) buyers have the opportunity to identify potential suppliers via standard search engines (such as google.com, yahoo.com) or specialist trading search engines (such as kellys.co.uk). Online search and comparison of list prices are typically used for specialist or low value purchases. Depending on the nature of the supplier's Web site facility, orders may be placed online, via e-mail or through the more traditional route of telephone, fax, or mail.

2. Exchange

The term "exchange" here refers to trading sites such as the eBay B2C (business to consumer) E-commerce auction site and the B2B (business to business) auction service providers, Free Markets and Synerdeal. These sites allow buyers or sellers to bid for contracts—which in eBay's case simply involves bidding for products offered for sale by private as well as commercial sellers, while B2B exchanges provide reverse auction facilities. Online reverse auctions have been extremely successful in reducing purchase.

Figure 1. Classifying e-Procurement Transaction Structures



Source: Thai, Khi V. (2009:449)

Prices our experience has been that typical price savings achieved around 16 percent and such auctions have been used for products as varied as foodstuffs, engineered components, and utilities supplies.

3. Marketplace

A marketplace is in essence a multi supplier / multi products catalog often hosted and maintained by a third party providing access to users via Internet or LAN connection.

4. Company Hub

A company hub is often also called a “buy-side” solution. It is similar to a marketplace because the buyer (rather than a third party) hosts and maintains a multi supplier/multi product catalog.

5. Extranet

An extranet is a secure, often security protected, Internet link between buyer and seller. Such extranets are used primarily for shared and collaborative data, such as delivery scheduling and product design data. Pre-Internet, electronic data interchange (EDI) links represents a type of extranet connection that is dedicated to an individual customer. Although there remain concerns for the security of transmission over the World Wide Web, extranets represent an effective means of communication between close trading partners.

4. System Implementation

There have been few detailed empirical studies of E-procurement implementation in the public sector, although in the United States McManus

(2002) identified expectations of cost and process efficiencies as the primary motivation for public sector implementation. However, she observed that as experience with E-procurement systems has grown, so has considerable debate about some of the fundamental principles behind public sector procurement, including lowest bid wins. In a second, case-based study, of Taiwanese military procurement (Liao et al., 2003), the main challenge for E-procurement implementation was found to be the cultural resistance to changes in established procurement processes and practices.

Heijboer (2003) has proposed a framework for the operational implementation or rollout of E-procurement across the supply base. In his paper, he proposed an analytical model based on the return on investment (ROI) and payback resulting from the E-procurement rollout on a commodity by-commodity basis. His model proposes that organizations should determine their rollout of E-procurement by aiming for quick wins (or by harvesting the low hanging fruit).

5. IT Infrastructure

Issues concerning ISs development and adoption are central to the E-procurement issue. Rajkumar (2001) identified systems integration as a critical success factor for E-procurement implementation, both with the customer's information infrastructure and with its links to suppliers. In an earlier study, Croom (2001b) surveyed the adoption pattern of IOS. Table 3 sets out the frequency of adoption of the main forms of Web-based and Web-

related ISs used to support part or much of the procurement process found in this earlier study.

Table 1. Incidence of e-Procurement System Adoption

System	Incidence (Percent)
E-mail	85.9
Web sites	83.5
Funds transfer	83.1
Electronic data interchange	73.5
Microsoft Outlook	69.9
Lotus Notes	39.8
Knowledge sharing	63.9
E-procurement	38.6
Intranet	36.5
Middleware	37.3
Extranet	36.5
Portals	34.9
Global positioning systems	22.9

Source: From Croom, S. in *Supply Chain Management in the E-Business Era*, University of Warwick, Coventry, United Kingdom, 2001b. With permission.

It was not surprising that e-mail, Websites, funds transfer, and EDI dominated the list. E-mail and Websites are dominant and ubiquitous systems, while major banks provide support for electronic funds transfer that provides a secure, low cost means of payment. EDI, on the other hand, is only cost-effective for high-volume transaction and communication between common trading hierarchies. Often, EDI is deployed for the management of, direct, supply chains that is, for components and materials used in the manufacturing process, or products for sale in retailing. The cost per unit is then relatively low, the benefits of high-speed transmission and the sunk cost of investment are all factors that are seen as likely to sustain EDI, or at least integrate it into an Internet-EDI structure for the management of specific high-frequency exchange supply chains.

6. Organizational and Relationship Issues

The adoption of E-procurement can impact internal and external relational linkages. Internally, the motivation of buyers to use the Internet as a resource for various elements of the purchasing process was investigated by Kennedy and Deeter-Schmelz (2001), who concluded that organizational characteristics and organizational influences were significant motivators to the use of E-procurement. In other words, training and relative influence of the purchasing function are key factors influencing the uptake of Internet-enabled purchasing tools. Also focusing on internal relational linkages, Croom and Johnston (2003) argued that in the context of indirect (MRO-maintenance, repair, and operating) purchases, reduction in maverick or

noncompliant buying by users is critical to the achievement of cost and efficiency gains from electronic procurement, contesting that internal customer satisfaction should be a key concern for E-procurement implementation.

Externally, Carr and Smeltzer (2002) found that increased use of IT between buyer and supplier did not improve levels of trust between buyer and seller, although Ellram and Zsidisin (2002) found that close buyer–supplier relationships had a strong positive impact on the adoption of E-procurement. E-procurement per se could not be considered to deliver improved levels of trust, but it has been found that E-procurement transactions are more likely to be established first between close trading partners in high-trust relationships (Malone et al., 1989).

Because longitudinal research is required to fully explore how buyer–seller relationships develop under E-procurement (e.g., by adopting an evolutionary approach similar to that of the IMP Group; Ford et al., 2003), relatively little literature exists on this topic although Archer and Yuan (2000) and Croom (2001a) both support the view that increased use of E-procurement and IOS will enhance opportunities to build closer and more effective customer–supplier relationships over time.

Communication becomes important factor in relationship issues. Communication is the fundamental knowledge to make relation with person or organization. There are many kind of communication process one of that is one-way communication. According to Berlo (1960), a one-way

communication process is a communication process consisting only of four components, namely source, message, channel, and receiver or receiver. However, in each of these components, there are a number of control factors. Factors of human resources quality consist of skills, attitudes, knowledge, social systems, and culture of the source or person sending messages are important factors in determining the message content, treatment, and encoding of messages. These factors also affect the recipient of the message in interpreting the contents of messages sent.

2.3.2 Challenges of e-Procurement (e-Government Procurement)

The benefits of a well-conceived, competently implemented e-GP strategy can be described in qualitative and quantitative terms. The qualitative benefits are not readily measurable, whereas the quantitative benefits generally result in reported savings ranging between 5% and 20%. With public procurement accounting for about 10% to 25% of the national economy, this level of savings potential is substantial and the cost-to benefit ratio should be overwhelming even without considering the qualitative benefits. It is likely that the qualitative benefits are even more important.

However, these advantages of e-GP only become available where there is a capacity to reform the practice of procurement. These reform drivers involve political backing, effective bureaucratic leadership, expertise, and procurement skills that may not be readily understood or available within a government. Where the introduction of technology is not accompanied by the reengineering of work practices, the full benefits of e-GP may not be realized.

The cost of an e-GP implementation can be expected to range from around \$1 million up to \$15 million or more. A competent strategy can expect good results from about \$1.5 million. Some government departments have built good systems from internal resources without a budget allocation for this. Malpractice or poor management in the development and implementation of e-GP can multiply this cost several times.

There have been cases where good technical systems have been developed, but without accompanying strategic objectives. This results in multiple systems between various departments and geographic areas, and leads to a fragmentation of services, dissipating the potential for leveraged buying and planning and analysis. The case against e-GP arises in situations where there are likely to be poor strategic and implementation skills, making e-GP a high-risk exercise.

There have been cases where users on both sides of the market have raised objections to e-GP. The reasons for these objections include resistance to greater transparency and competition. Concerns about lack of remote connectivity, low levels of e-literacy among contractors and government users, and data security and fraud (the risks of security and fraud are, however, probably greater in a paper-based environment) are also reported as deterrents to e-GP.

2.3.3 Internal Organizational Support

The continuous drive toward organizational efficiency and lowering the cost to conduct business is also driving the adoption of E-procurement (Lancioni et al., 2003). Organizations are applying internal forces to boost adoption hoping to gain from the benefits E-procurement is purported to give (Croom and Brandon-Jones,

2005). Therefore, internal organizational support for adoption of such systems is vital if they are going to be implemented successfully. Previous research has highlighted a number of internal factors influencing adoption: staffing levels, training in new technologies, encouragement from management and other departments (in particular information systems) (Osmonbekov et al., 2002), sufficient financial and resource backing (Joo and Kim, 2004), and adequate budget allocations to ensure all the requirements are met. It is proposed that internal organizational support will have a positive influence on EPI. Therefore, hypothesis H3 is as follows: Internal organizational support has a positive relationship with EPI.

2.3.4 Movement toward e-Procurement in Public Sector

E-Government Procurement (e-GP) or e-Procurement in Public Sector is a catch-all term incorporating many aspects of electronically-assisted procurement. There is no doubt that the Internet is drastically changing the way procurement is done globally. It has grown and evolved into a complex marketplace with many players offering a variety of e-procurement and business-to-business services. Benefits of e-GP: A good e-GP system will enhance basic principles of procurement, including:

1. Competition,
2. Transparency and accountability,
3. Efficiency/performance,
4. Procurement decisions.

Certain basic requirements need to be fulfilled before an e-procurement system can achieve maximum potential in government:

1. expanding ICT services (particularly, to make sure that SMEs are not excluded in the procurement process),
2. guaranteeing a secure online environment,
3. development of standards and processes, and
4. most importantly, for procurement officials to be trained.

Extent to which e-GP is developed:

1. Some governments in mature economies have adopted e-GP more extensively:
2. However, e-GP in some emerging markets is still not widely applied.

2.3.5 Best Practice and Lessons of e-Procurement in South Korea

Electronic Procurement System in Korea is known as The Korean On-Line e-Procurement System (KONEPS). This system began in 2000 is the integration of e-commerce characteristics into the government procurement system. It is one of the strategic objectives set since the mid-1990s in building a knowledge-based economic economy in the form of an information-based economic infrastructure system, both in the public and private sectors. This system provides a single window for public organizations and goods providers to make transactions more comfortable.

By the end of 2007, there were nearly 121,000 providers and 37,000 public organizations using this system with a \$ 56 billion transaction volume. KONEPS is recognized not only as a leading e-government service in Korea but also as an

e-procurement service that most sophisticated in the world. Some awards have been received, including from the UN, OECD, WITSA, and AFACT.

KONEPS is managed by Public Procurement Service of South Korea. Public Procurement Service has several roles including: (i) Domestic and foreign procurement for public institutions. More specifically, it purchases and supplies goods amounting to an annual volume of USD 14 billion, which is approximately 46% of total public purchases, (ii) Contracts for the government's major construction projects. Its contract volume stands at USD 14billion, which is approximately 39% of the entire public works. PPS also reviews designs of construction projects for lack of professional engineers, (iii) Stockpile and supply of raw materials. PPS stockpiles major raw materials such as aluminum, copper, lead, zinc, tin, and construction materials. It also makes it available with short-term supply and demand of goods, and stabilization of consumer prices in mind, thereby supporting a stable development of the national economy, (iv) Coordination and audit of government property matters. PPS efficiently manages approximately 12million units of government properties, which amounts to USD 7.8 billion as of 2007. It is in charge of matters regarding managing government property, (v) Management and operation of KONEPS. KONEPS conducts the entire procurement processes from the invitation for bids, bidding, contracting to contractor online payment for public institutions.

KONEPS's goal is to build a single portal for procurement that enables the entire process to be implemented online, increasing effectiveness and transparency (Seong et al., 2004). To achieve this, there are three defined sub-

objectives (Lim and Lee, 2006), namely: First, KONEPS aims to provide a simple interface for providers in dealing with public organizations using a single window. The provider not only can check the information bids from all public organizations, but also participate in the bidding process with just a single registration and monitor how it goes in real-time. Secondly, it aims to grow as a The Application Service Provider (ASP) provides a standard process for procurement activities for public organizations to login to the KONEPS website (www.koneps.go.kr) without having to build their own additional systems for procurement of goods or services. In other words, KONEPS aims to serving as a comprehensive government portal by integrating previously separate procurement processes. Third, it aims to encourage standardization efforts based on UNSPSC (Universal Standard Products and Services Classification) to have compatibility with private e-commerce systems and meet international standards. To this end, product classification systems are adopted, and special numbers are allocated to differentiate public organizations with providers. A standard of administration and open technology standards for electronic documents are also adopted, thus encouraging the wider use of systems and making connections with external systems easier.

The establishment of the Korean e-procurement system was motivated by the need to manage an increasing number of items and companies involved in GP, as well as an effort to provide customer-oriented service. Focusing on the provision of diversity to procuring entities, the system also aimed at the enhancement of efficiency and transparency of public procurement.

In relation to the development of the system, Korea needed to solve the issue of the right to access information and implementation of a high-quality monitoring system. The system needed to be able to prevent information abuse, hacking, and unauthorized access, supported by strengthened security measures such as electronic signature, users' authentication, confirmation of time when documents were sent, blocking multiple bids from the same IP address, etc. Korea represents a successful case of maintaining a high level of e-procurement security. As a result of the measures implemented, between the years 2003 and 2006, the occurrence of system failures was significantly reduced, and in 2006 the system operated with no failure.

As the Korean experience shows, the introduction of an e-procurement system must also be accompanied by the development of appropriate legislative and regulative framework covering topics such as contract awarding when electronic tendering is used, electronic bidding procedures, preparation of terms of agreements for electronic bidding participants, data backup procedures, guidelines for the situation of shutdown, etc. As satisfactory level of security required complex measures, the need for operating guidelines to manage security measures also arose.

With regards to monitoring system, Korea has experienced cases of illegal bidding, information infringement, and illegal price collusion through the sharing of public certificates. To avoid such cases in the future, a system electronically blocking multiple bids from the same computer and a reward program under which a person who reported an illegal bid was rewarded 2-10 million won were

introduced. Furthermore, fingerprint recognition system for bidder identification and automatic fraud detection system were also implemented. Korea also experienced cases that non-qualified companies won bids although, for example, their business was suspended. This was possible as information among various organizations was not shared. Apart from the development of automated blocking system against unqualified bidders, an important lesson is that a good information system must be able to link and analyze information from various resources. It is not sufficient that information exists and is stored, it must also be processed and used otherwise cases like those in Korea will happen.

As already mentioned several times, Korea was very successful in the preparation and implementation of its e-procurement system. Korea e-procurement system has been repeatedly receiving awards for its quality and is often cited as the best case to benchmark domestically as well as internationally. One of the reasons for its success was that so-called Ubiquitous Electronic Public Procurement Project provided a common platform enabling communication and data sharing among all major e-information systems used in the public and private sectors. Through that, significant costs could be saved and efficiency was enhanced. Another important point was that the Korean e-procurement system was comprehensive and also involved other supplementary services such as web-call center, electronic notices, mobile electronic bidding system, mobile inspection of procured goods, mobile office, etc., making the system user-friendly. The Korean e-procurement success was also facilitated by the local culture of widespread use of modern technologies, high level of computer and

ICT literacy (often referred to as “technologically savvy Koreans”), and well-developed Internet services (Korea has the highest penetration of high-speed Internet in the world) and IT infrastructure. Hence, for successful e-procurement implementation, developing countries should also take into consideration the level of infrastructure needed to actively operate the system, such as the penetration of Internet and usual speed of internet service, existence of electronic payment systems, the possibility to issue and receive electronic warranty, computer literacy of local inhabitants, or local culture which may give preference to personal contact in doing business over electronic form.

Implementation of the Korean e-procurement system was also accompanied by some difficulties. The major one was incomplete legal framework and underdeveloped security measures. Any country wishing to implement an e-procurement system should thus carefully consider what laws and regulations will be needed for the system operation and prepare well-developed legislature sufficient amount of time in advance so that the new laws and regulations become effective when the e-procurement system starts operation. Another issue Korea experienced was that the system also included a number of systems and functions which were developed but never used, leading to unnecessary expenses and waste of resources. Hence, in preparation of an e-procurement system, it is also important to consider what function are really needed and will actually be used. The system design may thus for example incorporate information from future system user surveys. Related to that is the criticism of the Korean e-procurement system that it is too complex and contains too much information, so when

particular information is needed, it is difficult to access. E-procurement system thus should be designed in a user-friendly way, with well-developed logical structure that is easy to understand for the common people. Critics also complain about the inconvenience caused by the necessity to repeatedly install security program and go through a separate registration procedure each time that a new website is visited. Hence, e-procurement system should be designed in such a way that these redundancies and repetition are avoided or minimized. There is also criticism that the efficiency of the system is hindered by tacit factors such as local cultural practices, under which preference may still be given to personal contact.

2.4 Role Theory

Role theory is a theory that is a blend of theory, orientation, and discipline. Apart from psychology, role theory begins with sociology and anthropology (Sarwono, 2002). In the three sciences, the term "role" is taken from the theater world. In a theater, an actor must play as a certain character and in his position as a character he is expected to behave in a certain way. The position of actor in theater (the play) is then analogous with the position of someone in society. Just as in the theater, the position of the person in the community is the same as the position of the actor in the theater, that the expected behavior thereof is not independent, but always in the presence of other persons connected with that person or actor. From this point of view compiled role theories.

Linton (1936, in Cahyono, 2008), an anthropologist, has developed role theory. Role Theory describes social interaction in the terminology of actors who play in accordance with what is defined by the culture. In accordance with this

theory, role expectations are shared understandings that guide individuals to behave in everyday life. According to this theory, a person who has a particular role such as doctors, students, parents, women, and so forth, is expected that someone was behaving in accordance with the role. Why someone treat others, because he is a doctor. So because his status is a doctor then he should treat the patient who came to him and the behavior is determined by his social role.

Then, a sociologist named Elder (1975) in Mustofa (2006) helped broaden the use of role theory by using an approach called "life course" which means that every society has hope for each member to have certain behaviors according to the age categories applicable in community. For example, most Americans will be students at the age of four or five, become election participants at the age of eighteen, work at seventeen, have a wife / husband at the age of twenty-seven, and retire at the age of sixty. In Indonesia is different, school age begins since the age of seven years, have a life partner can be since the age of seventeen years, and retired at the age of fifty-five years. The sequence was called "age stages" (age grading). In contemporary society human life is divided into childhood, adolescence, adulthood, and old age, where each period has various divisions again.

In addition, Kahn et al. (in Ahmad and Taylor, 2009) also introduce role theory in the organizational behavior literature. They argue that an organizational environment can affect individual expectations about their role behaviors. These expectations include norms or pressure to act in a certain way. Individuals will receive the message, interpret it, and respond in various ways. Problems will arise

when the message is not clear, not directly, cannot be interpreted easily, and does not match the capabilities of the recipient of the message. As a result, the message is considered ambiguous or contains elements of conflict. When that happens, the individual will respond to the message in a way that the sender does not expect.

The sociologist named Glen Elder (in Sarwono, 2002) helped expand the use of role theory using an approach called "life-course" which means that every society has a specific behavior according to the age categories prevailing in that society,

"The role theory describes social interaction in the terminology of actors who play in accordance with what is set by the culture. In accordance with this theory, role expectations are a common understanding that leads us to behave in everyday life. According to this theory, a person who has a particular role such as doctors, students, parents, women, and so forth, is expected that someone was behaving in accordance with the role. A doctor treats. So because his status is a doctor then he should treat patients who come to him and the behavior is determined by his social role (Sarwono, 2002: 89) ".

As Sarwono has expressed above where a person / organization with a particular role is expected to have the person / organization behave in accordance with that role, the author further draws a conclusion that the role of the government means public servant and is responsible for fulfilling basic needs and rights civilian rights of every citizen for the sake of his welfare, such as the General Government Bureau of Regional Secretariat of West Java which has a goal in facilitation Pilkada in West Java Province which is also one of the public services that the government provides.

2.4.1 General Role of Procurement Agents in the Public Sector

Procurement has been defined as the process of obtaining goods and services in any way, including borrowing and leasing, and is considered to be a broader term than purchasing, which implies the acquisition of goods or services in return for a monetary or equivalent payment. While technically sound, the problem with this definition is that it gives the impression that procurement and purchasing are (i) reactive service activities where one is simply instructed to buy, rather than a decision-making process where one takes the initiative to help determine appropriate procurement approaches; (ii) transactional activities that are merely concerned with the placing of orders on a one-off basis, with no consideration of market dynamics; and (iii) focused on short-term objectives, rather than being crucial aspects of a project cycle that contribute to the achievement of organizational goals, project objectives, and overall development outcomes. Several contracts in the public sector may be viewed as one-off activities, such as the construction of a road or the supply of school desks and armchairs; however, project objectives are certainly medium to long term, like the development of local markets and increased access to primary education. In this sense, whether in the private or public sector, procurement and purchasing should always be considered within the context of supplier or contractor management, which may be defined as

that aspect of purchasing or procurement concerned with rationalizing the supplier [or contractor] base and selecting, coordinating, appraising the performance of and developing the potential of suppliers [or contractors] and, where appropriate, building long-term collaborative relationships (Lysons, K. and B. Farrington 2006:7).

If public procurement is considered within this context, rather than as a one off transaction, then the relevance of institutional capacity within an agency becomes clearer, and the decision to outsource becomes a more thoughtful and strategic process. The relevance of the procurement function should not be underestimated, even if it is not a regular undertaking in an agency, because attainment of the overall organizational goals and specific project objectives will depend heavily on the way such function is managed. Therefore, an agency would do well to weigh the benefits and costs of directly managing the procurement function, and developing its in-house capacity to handle such a responsibility. Its strategic options will also increase if the applicable legal and institutional frameworks allow it to outsource the procurement function to specialized third parties, whether private service providers or other public agencies that regularly handle such procurements.

Outsourcing is defined as “a management strategy by which major noncore functions are transferred to specialist, efficient, external providers” (Lysons, K. and B. Farrington 2006:392). It developed as a reaction to the over diversification during the 1970s and early 1980s that led several enterprises to review their core activities and concentrate on their core competencies. Within this context, some private and public organizations that have regarded procurement to be a noncore activity have actually made the strategic decision to outsource such function to specialized procurement agents. Nevertheless, although multilateral development banks and some developing member countries (DMCs) in Asia and the Pacific have been engaging the services of procurement agents to handle the procurement

function, it is important to note that the actual responsibilities in most of these arrangements differ from the approach in the private sector. When a private organization decides that the purchasing activity is not among its core competencies, it may hire a specialist service contractor (i.e., a procurement agent) to take over the responsibilities for logistics and supply chain management. This means that the procurement agent will then handle the entire process of planning, implementing, and controlling the flow and storage of materials, inventories, and finished goods. A key consideration in contracting a procurement agent is its ability to tap large and diverse markets and to identify, qualify, and support suppliers. Indeed, buyers in the private sector recognize that, by forcing numerous suppliers offering similar products to compete against each other, procurement costs can be reduced significantly, and that significant expertise in the procurement process is needed to actually achieve these lower costs. This is the reason for not only the increasing trend to outsource the procurement function in the private sector but also the development of the e-market industry, where the ultimate objective is not just to reduce procurement costs but to improve supply chain processes and efficiencies.

On the other hand, when procurement outsourcing is allowed and practiced in the public sector, one may regard the role of procurement agents as less involved than those in the private sector, particularly with respect to capital expenditure projects. In fact, except in the case of centralized procurement agencies (which will be discussed later), procurement agents may simply function as tendering agencies that handle the bidding portion in the entire procurement cycle of a

government project. For example, according to Tan Li, director of Project Division II of the Ministry of Railways in the PRC, national procurement agents participate as tendering agencies in the bidding activities of all foreign-assisted projects managed by the Ministry of Railways Foreign Capital and Technical Import Center. The procurement agents are supposed to ensure that the interests of the state and the public, as well as the legal rights of all participants in a bidding activity, are protected. Executing agencies and implementing agencies engage procurement agents for practically all ADB-financed projects in the PRC. The responsibilities of the procurement agents cover the drafting of the invitation for bids and the bidding documents, and the examination and evaluation of bids. For civil works contracts, the obligation of the procurement agent ends upon contract signing. For the procurement of goods, the contractual relationship between the procurement agent and the agency can end upon the delivery of the goods. In the latter case, the responsibilities of procurement agents may extend up to the provision of support in processing the formal requirements for deliveries, such as importation permits, but no further. The case of centralized procurement agencies in the public sector can be considered more similar to the centralized purchasing departments of some organizations in the private sector, because these agencies are tasked with aggregating demand across multiple end users so that benefits from economies of scale are maximized. They also tend to have more flexibility in developing supplier relationships, such as through the use of framework agreements. In terms of regulation, while the objectives of reduced costs and increased efficiency are common to both the private and public sectors, the policy

and operating environments differ in each. Quite obviously, government contracts are subject to more regulatory controls than private contracts. Also, while commercial organizations tend to look towards developing and maintaining working relationships with suppliers, capital expenditure projects (as opposed to supply requirements under the operations budget, especially those procured through centralized agencies) of public agencies may simply be addressed through one-off contracts. Public agencies may also have to deal with strict anticorruption regulations, which may in fact discourage some forms of supplier– buyer relationships that are commonplace in the private sector.

Despite these differences, the use of specialized agents in public procurement can be effective in ensuring that development outcomes are achieved. When the problems of weak institutional capacities, high costs, delays, and high integrity risks are systemic in a government—at the national or local level, or even in any given sector—outsourcing the procurement function may be a sound option to consider, whether as a short-term gap-filling measure or as a longer term strategic approach that may include capacity development (such as a “learning by doing” methodology). Indeed, the link between procurement agents and the broader issue of development impacts in the public sector is one that deserves closer consideration, especially since public procurement can account for as much as 15%–22% of a country’s gross domestic product (GDP). The procurement agents are supposed to ensure that the interests of the state and the public, as well as the legal rights of all participants in a bidding activity, are protected.

2.4.2 Institutional Leadership of Procurement in the Public Sector

An essential ingredient for successful e-GP (e-Procurement in Public Sector) implementation is unambiguous government leadership, with, for example, cabinet policy endorsement. Government leadership defines and drives the vision of what is to be achieved. The operational translation of this vision is also crucial and the government will need to nominate a lead agency to implement its policy and manage the risks. A suitable agency may already exist (a specialist procurement agency, for example, may be appropriate). Lead agency endorsement identifies and authorizes a lead agency to lead and manage the transition to e-GP. The idea of a lead agency in this exercise is important for it defines the need for coordination and collaboration across government.

Political and institutional leadership are the most important elements of an e-GP strategy. A central lead procurement agency is required (which may also be the entity responsible for the e-GP system) that has the capacity and authority to drive the procurement reforms; without this central agency, e-GP will be of limited value. Reforms include standard bidding documents, whole of government framework agreements, policies around the use of e-bidding and e-reverse auctions, and whole-of-government policies for online catalogs and security.

In the absence of adequate leadership, there is a high risk that e-GP implementations will be fragmented and that systems will not be interoperable or possess the core data capture required to enable proper performance assessments and financial integration. Fragmentation also has the potential to exacerbate

security risks and add to the costs of development and maintenance. The lead institutional role will require the authority to

1. Mandate a government-wide framework for e-GP including a single integrated system;
2. Develop, implement, and monitor e-GP operating and systems policies;
3. Minimize separate developments of various e-GP systems that may lack interoperability or result in potentially expensive duplicate investments or developments;
4. Minimize imposition of multiple system requirements, costs, and confusion for suppliers and;
5. Ensure transparency and efficiency for all stakeholders.

Ideally, an independent procurement policy and oversight body will be established, along with a separate central procurement office responsible for the strategic operational roles of leading and maintaining the e-GP system and arranging instruments such as whole-of-government framework agreements. Interdepartmental working groups or committees can then be arranged on an ad hoc basis as required to develop various aspects of an e-GP system, such as business process reengineering. These institutional capacities may need to be supported by legislative changes before e-GP can be made fully effective and may affect the rollout schedule for e-GP.

CHAPTER III

RESEARCH METHOD

3.1 Type of Research

Research is an attempt to discover, develop, and clarify an event or knowledge by using research methods, so as to determine the level of research results. In this research, the researcher is applying a qualitative approach. The reason why researcher use a qualitative approach because one of the advantages of the qualitative approach according to Raco (2010: 63) open on more than one view, in this case, the views and information of participants. This is corresponding with the data sources of this thesis consisting of several participants as interviewees and there may be different views from each interviewee.

As for the type of research, this research applying descriptive research type. The reason is that based on the formulation of problems, this research wants text-shaped data as the main data source that obtained from interviewees. This is in accordance with the statement of Raco (2010: 60) descriptive data presupposes that the data is text. Because to capture the deepest meaning is not possible obtained only in the form of numbers, because the number itself is only a symbol.

Seeing the various reasons above can be drawn conclusions qualitative approach with descriptive research type which is expected to explain the process of research conducted, with the results obtained description and understanding about the roles of LPSE of Communications and Informatics Service of Malang City in organizing e-Procurement System, obstacles faced and solutions that will

and have been done by LPSE of Communications and Informatics Service of Malang City in organizing e-Procurement System to overcome the obstacles.

3.2 Focus of Research

In this case, the focus of research can be defined as anything that will be the researcher attention and comes with the data, it will make it easier for researcher to find and sort out which data are related to the problems. The focuses of research which are from formulation of problems and roles of each organizational structure that can be determined in this research among others:

1. The roles of LPSE of Communications and Informatics Service of Malang City in organizing e-Procurement System based on the Organizational Scope from regulation;
2. The roles of LPSE of Communications and Informatics Service of Malang City in organizing e-Procurement System based on each of organizational structure that are:
 - a. The role of the Head of LPSE of Communications and Informatics Service of Malang City;
 - b. The roles of the Administrative Sub-division of LPSE of Communications and Informatics Service of Malang City;
 - c. The roles of Electronic System Administration Unit of LPSE of Communications and Informatics Service of Malang City;
 - d. The roles of Registration and Verification Unit of LPSE of Communications and Informatics Service of Malang City;

- e. The roles of Service and Support Unit of LPSE of Communications and Informatics Service of Malang City.
3. The obstacles faced by LPSE of Communications and Informatics Service of Malang City in organizing e-Procurement System based on each of organizational structure that are:
 - a. The obstacles faced by Head of LPSE of Communications and Informatics Service of Malang City;
 - b. The obstacles faced by the Administrative Sub-division of LPSE of Communications and Informatics Service of Malang City;
 - c. The obstacles faced by Electronic System Administration Unit of LPSE of Communications and Informatics Service of Malang City;
 - d. The obstacles faced by Registration and Verification Unit of LPSE of Communications and Informatics Service of Malang City;
 - e. The obstacles faced by Service and Support Unit of LPSE of Communications and Informatics Service of Malang City.
4. The efforts undertaken by LPSE of Communications and Informatics Service of Malang City to overcome the obstacles faced in organizing e-Procurement System based on each organizational structure that are:
 - a. The efforts undertaken by Head of LPSE of Communications and Informatics Service of Malang City;
 - b. The efforts undertaken by the Administrative Sub-division of LPSE of Communications and Informatics Service of Malang City;

- c. The efforts undertaken by Electronic System Administration Unit of LPSE of Communications and Informatics Service of Malang City;
- d. The efforts undertaken by Registration and Verification Unit of LPSE of Communications and Informatics Service of Malang City;
- e. The efforts undertaken by Service and Support Unit of LPSE of Communications and Informatics Service of Malang City.

3.3 Location and Site of Research

The location of the research is the place where researcher found the data / information in fact and factual for the purposes of research. The location used for this research is Integrated Office of Malang City in Mayor General Sungkono Street, Arjowinangun, Kedungkandang, Malang City, East Java 65135. The reason researcher doing research in the Malang City, because e-Procurement System in Malang City is organized by LPSE of Communications and Informatics Service of Malang City still have some shortcomings and obstacles. One of them is the login issue for the providers and the committee that cannot access the e-Procurement page on the server of the *Portal Pengadaan Nasional* (INAPROC) occurred on August 23th, 2016. Therefore, the researcher intends to find out how the roles of LPSE of Communications and Informatics Service of Malang City in facing the obstacles that exist, one of which is the problems of servers that associated with e-Procurement System.

The research site is where the researcher captures the true state of the object under research. Research sites linked to government agencies relevant to the

policies, programs, or services that want to analyze. So, the research sites of this undergraduate thesis are:

1. Technical Implementation Unit Electronic Procurement Service Agency (*Unit Pelaksana Teknis LPSE*) at the Office of Communications and Informatics Service of Malang City consist of;
 - a. Head room of LPSE of Communications and Informatics Service of Malang City;
 - b. The Administrative Sub-division room of LPSE of Communications and Informatics Service of Malang City;
 - c. Electronic System Administration Unit room of LPSE of Communications and Informatics Service of Malang City;
 - d. Registration and Verification Unit room of LPSE of Communications and Informatics Service of Malang City;
 - e. Service and Support Unit room of LPSE of Communications and Informatics Service of Malang City.

3.4 Data Sources of Research

The data source is where people or objects where researcher can observe, ask or read about matters relating to the variables studied. Broadly speaking the source of data referred to different people, places, papers, and documents (Moleong, 2000: 130). H. B. Sutopo and Masykuri Bakri (2003: 111) states that various data sources can be grouped types, ranging from the most real to the vaguest. The data used in this research consists of two types, namely:

1. Primary Data

Primary data is data obtained directly from the resource person in the field by the researcher. Primary data sources can be obtained through observation, interviews, and questionnaires. In this research, the researcher used interviews to obtain primary data from relevant sources and observation at LPSE of Communications and Informatics Service of Malang City. The sources among others:

a. As interviewees

- 1) Redy Janandjaja Suselohadi, SH, MM as Head of LPSE of Communications and Informatics Service of Malang City;
- 2) Nunuk Sulistyowati as the Administrative Sub-division staff of LPSE of Communications and Informatics Service of Malang City;
- 3) Nanda Prima Setiawan as Electronic System Administration Unit of LPSE of Communications and Informatics Service of Malang City;
- 4) Prisma Suganda as Registration and Verification Unit of LPSE of Communications and Informatics Service of Malang City;
- 5) Aiswara as Service and Support Unit of LPSE of Communications and Informatics Service of Malang City.

b. As observation object

The observation object of this research in order to get primary data is the process doing by Support and Service Unit of LPSE of Communications and Informatics Service of Malang City while performing his roles

consisting of serving and assisting users and providers of e-Procurement System.

2. Secondary Data

Secondary data is data obtained indirectly or data obtained from the results of data collection by certain parties. Secondary data in the form of documents, records, archives, and reports should be relevant to the research focus. Secondary data used in this research is the Regulation of the Head of Government Procurement Policy Agency Number 2 Year 2010 About Electronic Procurement Service; In addition, researcher also get secondary data from multiple websites, documents, and journals such as <http://kominfo.malangkota.go.id/profil/>.

3.5 Data Collection Methods of Research

Data collection is the most strategic step in the research because the main goal of the research is obtaining data. Data collection methods in this research are:

1. Interview

An interview is a conversation where questions are asked and answers are given. In common parlance, the word "interview" refers to a one-on-one conversation with one person acting in the role of the interviewer and the other in the role of the interviewee. The interviewer asks questions, the interviewee responds, with participants taking turns talking. Interview usually involves a transfer of information from interviewee to interviewer, which is usually the primary purpose of the interview, although information transfers can happen in both directions simultaneously. One can contrast an interview

which involves bi-directional communication with a one-way flow of information, such as a speech or oration. Frequency of interviews conducted from one to two or three interviews with the same resource persons. Two or three interviews will be conducted if necessary because the data obtained from interviews is less relevant or appropriate. As for the duration itself, generally takes two hours can be less or more depending on the situation and conditions at the time of interviewing. In this interview the tools used is a list of interview questions that have been made before namely: pens, interview guideline and android smartphone as a recording device. The interviewees in this research are:

- a. Redy Janandjaja Suselohadi, SH, MM as Head of LPSE of Communications and Informatics Service of Malang City;
- b. Nunuk Sulistyowati as the Administrative Sub-division staff of LPSE of Communications and Informatics Service of Malang City;
- c. Nanda Prima Setiawan as Electronic System Administration Unit of LPSE of Communications and Informatics Service of Malang City;
- d. Prisma Suganda as Registration and Verification Unit of LPSE of Communications and Informatics Service of Malang City;
- e. Aiswara as Service and Support Unit of LPSE of Communications and Informatics Service of Malang City.

2. Documentation

Documentation is a set of documents provided on paper, or online, or on digital or analog media, such as audio tape or CDs. Examples are user or

provider guides, white papers, on-line help, and quick-reference guides. It is becoming less common to see paper (hard-copy) documentation. Documentation is distributed via websites, software products, and other on-line applications. So, the documents that will be data of this research is the Regulation of the Head of Government Procurement Policy Agency Number 2 Year 2010 About Electronic Procurement Service.

3. Observation

Observation is the active acquisition of information from a primary source. In living beings, observation employs the senses. In science, observation can also involve the recording of data via the use of instruments. The term may also refer to any data collected during the scientific activity. Observation can be qualitative, that is, only the absence or presence of a property is noted, or quantitative if a numerical value is attached to the observed phenomenon by counting or measuring. The object of observation of this research is the process doing by Support and Service Unit while performing his roles. Frequency of the observation can be once up to two or even many times until the researcher get a phenomenon that relevant accordance with the problem formulations as research data. Duration of observation that will be made by researcher is among 30 minutes until 90 minutes or until at least the Support and Service Unit obtain more than two users or providers in a one frequency to serve. The tool that will be used for observation is a note to record the existing phenomenon.

3.6 Research Instruments of Research

Related with the data collection methods, the research will use some tools as the research instruments, among others:

1. Researcher

The researcher is the writer itself and my name is Maulana Kindi Tamami, College student from Universitas Brawijaya and my major is Public Administration.

2. Interview Guidelines

Interview Guidelines is the questions list for interview and the question in this research will be answered by Head of LPSE of Communications and Informatics Service of Malang City and the remaining for the certain subordinates as interviewees.

3. Observation Schedule

Observation schedule is the schedule doing by researcher to observe site of this research that is LPSE of Communications and Informatics Service of Malang City. Mostly, the observation schedule is doing in weekday on working hours of LPSE of Communications and Informatics Service of Malang City, surely at recess and leisure time of work and if the interviewee approves it.

4. Supporting Devices

In this research the only supporting device that will be used mostly to assists interviewing activity is a smartphone with android operational system. The owner of this device is the researcher.

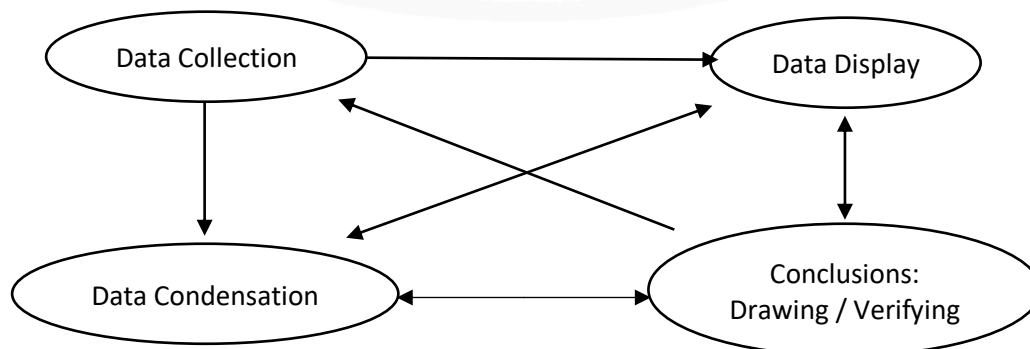
3.7 Analysis Method of Research

Researcher does this research because researcher wants to answer questions that arise from researcher, and also to answer and reveal social phenomena. Therefore, in order to answer the questions in the research, the researcher must conduct data analysis of data obtained. This is as submitted by Sugiyono (2009: 244);

"Data analysis is the process of searching and systematically compiling data obtained from interviews, field notes, and other materials, so that it can be easily understood, and findings can be informed to others. Analysis is done by organizing data, unit, synthesize, organize into patterns, choose what is important and what will be learned, and make conclusions that can be told to others ".

In this research, the method of analysis used is descriptive method with qualitative approach which includes analysis based on the objects of research that has been prepared earlier so that this research can be more focused. In addition, in qualitative research data analysis must be done from the beginning and written in the form of writing. In this research, researcher uses data analysis design according to interactive model consisting of data collection, data condensation, data display, and conclusion. The interactive data analysis model updated by Miles and Hubberman as follows:

Figure 2. Component of Data Analysis with Interactive Model



Source: Matthew B. Miles and Huberman (2014:33)

1. Data Collection

Data collection is an activity to collect data in accordance with the type and nature of the necessary data that is about the roles of LPSE of Communications and Informatics Service of Malang City in organizing e-Procurement System. Data collection is done through observation toward the process doing by Registration and Verification Unit in serving registrant at Technical Service Implementation Unit of LPSE of Communications and Informatics Service of Malang City, interview to some interviewees namely government employees consist of Head of LPSE of Communications and Informatics Service of Malang City, one sub-division and three working units that working at LPSE of Communications and Informatics Service of Malang City, and document about basic tasks and functions of LPSE of Communications and Informatics Service of Malang City that is related with the roles of LPSE of Communications and Informatics Service of Malang City in organizing e-Procurement System by looking at some inhibiting factors and solutions that have been and will be done by LPSE of Communications and Informatics Service of Malang City in overcoming the obstacles.

2. Data Condensation

After the researcher conducted data collection, the data was then reviewed. Data condensation is the process of selecting, focusing, simplifying, abstraction, and / or changing data that has been found in the field based on field notes, interviews, documents and facts in the field. The data to be found

or the focus of the research are (i) the roles in the e-Procurement System, (ii) the obstacles faced, (iii) the efforts undertaken that have been done in overcoming the obstacles. In this phase, researcher ignore the data that are not related to the research focus. So, the data in this phase is only related to the title of research or in accordance with the research focuses.

3. Data Display

The data display contains a collection of information in the form of a report that obtained from the location or research site. More precisely, the data display in this research mostly in the form of text followed maybe by the display of tabulations, drawings, graphics, and other forms that will be less than the display of text from interview results. Data display is also followed by data analysis. In the analysis of data displayed then reviewed and compared with the theory related to the focus of research or analyzed based the regulation or it can be analyzed based on the further explanation of interviewees. So, the data displayed can provide knowledge and wealth of information.

4. Conclusions: Drawing / Verifying

Conclusion drawing / verifying is the last step of the data analysis method. In this process data that has been condensed and displayed in systematic form is then taken the red thread as a conclusion. The conclusion of this research is the conclusion related to the research title in line with research focus, namely the roles of LPSE of Communications and Informatics Service of Malang City in organizing the e-Procurement System and the inhibiting factors and

the solutions that have been done by LPSE of Communications and Informatics Service of Malang City.

3.8 Data Validation of Research

The result of research is the most important part in a research process. A research depends on the process undertaken by the researcher during the conduct and research. Each research requires a standard to see the degree of trust or truth of the results of his research. In qualitative research the standard is referred to as data validity. According to Meolong, (1999: 173) specify data validation required by examination techniques. The implementation of technique is based on the nature of the criteria used are credibility, transferability, dependability, conformability. Here's the explanation:

1. Credibility

To obtain and examine the credibility in this research, the researcher does the following actions:

a. Doing Peer debriefing

The results of the research were discussed with others namely the government employees including the Head of LPSE of Communications and Informatics Service of Malang City, one sub-division staff and three work units of LPSE of Communications and Informatics Service of Malang City.

b. Triangulation

This is done by the researcher since from field to field with various interviews as well as ordinary conversation, observation, and

documentation with a view to examining the validation of certain data and comparing with data from other sources. This study examined data obtained from interviewees by comparing interviews result that obtained from various interviewees. If necessary, it will be compared with existing secondary data both documents and other secondary data.

2. Transferability

The extent of the empirical problems depends on the similarity between the sender and recipient context. To do that, the researcher sought and collected data of empirical events in the same context. Thus, the researcher in this research is responsible for providing sufficient descriptive data that appropriated and in accordance with the research focuses.

3. Dependability

To examine the dependence and certainty of the data in this research, the research conducted by the researcher was re-examined through a careful audit process of all components of the research process and research results. Therefore, for the degree of reliability in the research is achieved, it is necessary audit or careful examination of the results of research. Auditor in this research is lecturer supervising Dr. Fadillah Amin, M. AP, Ph.D. In addition, the audit also conducted by the examiner lecturer.

4. Conformability

Researcher to determine whether these results are true or false, the researcher discussed it with the government employees consist of Head of LPSE of Communications and Informatics Service of Malang City, one sub-division

and three working units of LPSE of Communications and Informatics Service of Malang City from every stage there are findings that have been obtained in the field. Based on the results of the discussion, the government employees consist of Head of LPSE of Communications and Informatics Service of Malang City, one sub-division and three working units of LPSE of Communications and Informatics Service of Malang City provide direction and certainty that what has been done by the researcher is correct with reference to the consideration that; (1) the results of the research are actually derived from the data, (2) the conclusion drawing is logically and sourced from the data, (3) the researcher has been well traced while doing researching, and (4) the government employees consist of Head of LPSE of Communications and Informatics Service of Malang City, sub-division and three working units of LPSE of Communications and Informatics Service of Malang City has trying to examine the research activities in examination of data validation has been presented by researcher in this research.

CHAPTER IV

RESULT AND DISCUSSION

4.1. General Description of Location and Site Research

4.1.1. General Description of Malang City

Malang city just like other cities in Indonesia generally grow and develop after the presence of Dutch colonial government. Public facilities are planned in such a way as to meet the needs of Dutch families. The discriminatory impression is still left behind until now. For example, the surrounding area of Ijen Boulevard, only enjoyed by Dutch families and other European Nations, while the indigenous population must be satisfied residing in the suburbs with inadequate facilities. The residential area is now a monument that holds a mystery and often invites Dutch families who once settled there for nostalgia (www.malangkota.go.id). The number of residents of Malang City at the end of 2015 based on population data registered at the Department of Population and Civil Registration of Malang City as many as 881,794 inhabitants while until the end of April 2016 the population of Malang City is 887.443 people (www.suryamalang.tribunnews.com).

Malang City is the second largest city in East Java province after Surabaya City which has an area of 110.06 km². Malang City lies at an altitude between 440 - 667 meters above sea level and is one of the tourist destinations in East Java due to its natural and climate potential. Malang City is located at coordinates 112.06° - 112.07° East Longitude and 7.06° - 8.02° South Latitude. Climatic conditions in Malang City recorded average air temperatures ranging from 22.0° - 24.8°C, while the maximum temperature reached 31.4°C and a minimum temperature of 17.2°C.

The average air humidity ranges from 66% - 83% with maximum moisture 98% and a minimum of 19%. The highest rainfall in Malang City is 385 millimeters. Such climate conditions make Malang City relatively cool compared to other areas (www.id.wikipedia.org). Administratively, the area of Malang City is directly adjacent to Malang Regency, namely:

1. North Side: Singosari and Karangploso Districts;
2. East Side: Pakis and Tumpang Districts;
3. South Side: Tajinan, Pakisaji, and Wagir Districts;
4. West Side: Wagir and Dau Districts.

4.1.2. General Description of Communications and Informatics Service of

Malang City

Communications and Informatics Service (KOMINFO) of Malang City is a new Regional Device Work Unit, established to comply with the provisions of Government Regulation number 41/2007 about Organization of Regional Device as well as paying attention to the needs of community services as the result of analysis of Position Analysis Team and Workload Measurement in the framework of development and management of Information and Communication Technology, then formed Communications and Informatics Service of Malang City which is merger of Electronic Data Processing Office, Postal Field and Telecommunication at Department of Transportation, Communication and Information Field at Tourism, Information and Communication Department of Malang City. Fields that exist in the Communications and Informatics Service of Malang City:

1. Field of Public Communications Management and Encoding

Field Post and Telecommunications, consisting of:

- a. Public Communication Infrastructure Section;
- b. Public Communications Management and Partnership Section;
- c. Encryption Section.

2. Field of Statistics

Statistics Fields, consisting of:

- a. Statistics Data Management Section;
- b. Section Data Services and Statistical Information;
- c. Evaluation and Reporting Section.

3. Field of Informatics Application

Field of Application and Informatics, consisting of:

- a. E-Government Management Section;
- b. Section of Facilities and Preparation of Informatics;
- c. Section Empowerment of Information Technology and Application Communication.

4. Field of Public Information

Field of Public Information, consisting of:

- a. Public Information Management Section;
- b. Information Services Section;
- c. Section Empowerment and Public Information Partnership.

5. Technical Implementation Unit of LPSE

To arrange electronic procurement service system in the framework of efficiency, effectiveness, transparency, healthy competition and accountability of procurement of goods/services government in Malang City Government environment, based on Malang Mayor's Regulation Number 13 Year 2011, dated January 24, 2011 established Technical Implementation Unit Procurement Services Electronic (UPT LPSE) at the Service of Communications and Informatics. UPT LPSE is an executing element of some operational technical activities of the Service of Communications and Informatics that related with e-Procurement, which performs the main tasks:

- a. facilitate Budget Users/Authority of Budget Users in announcing the general procurement plan;
- b. facilitate the Procurement Committee in delivering announcements on procurement implementation;
- c. facilitate the Procurement Committee/Officers in electing providers of goods/services electronically;
- d. Facilitate providers of goods/services and other interested parties who become SPSE Users.

Electronic procurement process of goods/services managed by UPT LPSE using Electronic Procurement System (SPSE) which can be accessed at <http://lpse.malangkota.go.id>.

Communications and Informatics Service of Malang City has a vision and missions, among others:

1. Vision

The realization of Malang City that is informative (innovative, flexible, original, advanced, measurable, integrity, factual)

2. Missions

- a. The realization of the bureaucracy of communications and informatics services are professional and have high moral integrity;
- b. Optimizing the Integrated Governance System (e-Government);
- c. Increasing the adequacy of public information with the characteristics of current communications and correct information in order to improve the capacity of public services that can be accounted for;
- d. Improving Community Empowerment and Developing Partnership, and Communication Institution in Dissemination of Public Information based on Local Wisdom;
- e. Embody the professionalism of Post and Telecommunication Services.

Next are the main tasks and functions. The scope of tasks and functions of the Service of Communications and Informatics of Malang City can be described as follows: The Service of Communications and Informatics performs the main task of composing and implementing the policy of regional government affairs in the field of communications and informatics. To carry out the basic tasks mentioned above, the overall Office of Communications and Informatics of Malang City has the following functions:

1. Formulation and implementation of technical policy in the field of Communication and Informatics;
2. Preparation of program planning and implementation in the field of communications and informatics;
3. Implementation of functions as the information and documentation management officer (ppid);
4. Implementation of coordination, facilitation, and supervision of postal and telecommunication activities;
5. Implementation of coordination and facilitation of social communication empowerment and development of media partnership and implementation of dissemination of regional information;
6. Supervision/control over the implementation of telecommunications coverage of the city area, the implementation of telecommunication development, the operation of telecommunication stalls, cellular stalls or the like;
7. Implementation of preparation and preparation of management information system application;
8. Implementation and development of e-government and empowerment of telematics;
9. Giving technical considerations of computerization and telematics to the regional apparatus;
10. Counseling in the field of communication and informatics;
11. Implementation of deposit services ordering for agent office;

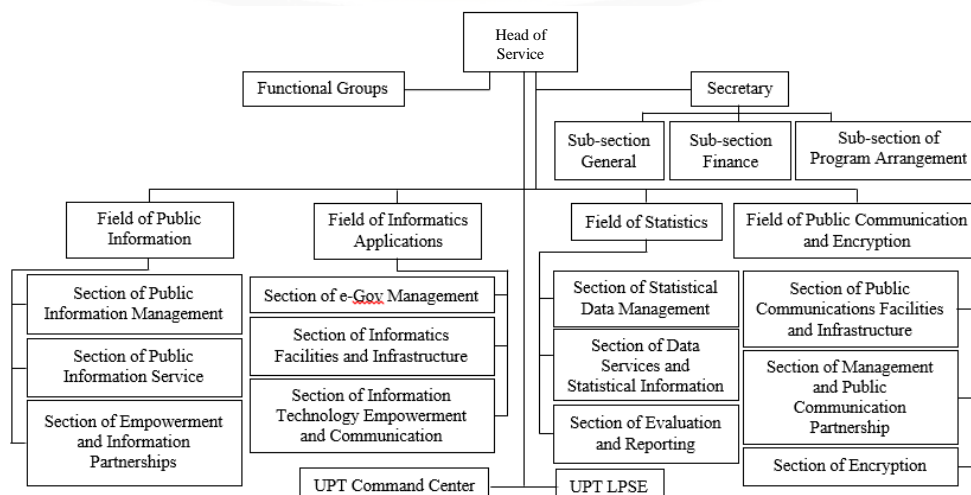
12. Giving technical considerations on licensing in the field of communications and informatics;
13. Granting and revoking licenses in the areas of communications and informatics under their jurisdiction;
14. The implementation of the investigation of criminal offenses in the field of communications and informatics in accordance with the provisions of legislation;
15. The implementation of the purchase/procurement or construction of tangible fixed assets to be used in the context of the implementation of basic tasks and functions;
16. Implementation of the maintenance of local property used in the framework of the implementation of basic tasks and functions;
17. Implementation of policies on the management of regional property under their control;
18. The implementation of data collection of regional retribution;
19. Implementation of non-tax revenue collection;
20. General administrative management includes programming, management, administration, finance, personnel, household, equipment, public relations, literature, and archives;
21. The implementation of minimum service standards (MSS);
22. Preparation and implementation of public service standards (SPP) and standard operations and procedures (SOPS);

23. Conducting the measurement of the satisfaction index (IKM) and/or conducting the collection of customer opinions periodically to improve the quality of services;
24. Management of public complaints in the field of communications and informatics;
25. Delivery of development results from data and other information related to public services on a regular basis through the website of the regional government;
26. Empowerment and fostering functional positions;
27. Organizing of upt and functional positions;
28. Evaluating and reporting the implementation of basic tasks and functions;
29. And the implementation of other functions provided by the mayor in accordance with the main task.

(Source: Regulation of Mayor Number 46 Year 2012 about *Description of Main Duty, Function, and Working Procedure of Communications and Informatics Service of Malang City*)

Communications and Informatics Service of Malang City has an organizational structure as follow:

Figure 3. The Organizational Chart of the Communications and Informatics Service of Malang City



Source: <http://kominfo.malangkota.go.id/profil/kepegawaian/struktur-organisasi/>

The above chart can be interpreted that UPT LPSE get command, communication, and direct relationship with Head of Service. In other words, Head of Service able to manage UPT LPSE directly through its authorities. UPT LPSE of Service is LPSE owned by Malang City which is managed directly by Head of Service of Communications and Informatics Service and LKPP in Jakarta.

4.1.3. General Description of Electronic Procurement Service of

Communications and Informatics Service of Malang City

Electronic procurement service (LPSE) is a work unit established to organize an electronic procurement service system. The technical implementation unit (UPT) of LPSE is the executing element of some of the operational technical activities of the Communications and Informatics Service of Malang City that related to e-Procurement Services. The establishment of UPT LPSE of Malang City based on the issuance of Mayor of Malang Regulation no. 13 Year 2011 on the Establishment of Organization and Working Procedures Technical Implementation Unit Electronic Procurement Service on the Service of Communications and Informatics of Malang City. The mayoral regulation as a follow up of Presidential Regulation Number 54 Year 2010 concerning Procurement of Government Goods/Services, Mayor establish Electronic Procurement Service to facilitate Committee/Procurement Official in implementing procurement of goods/services. UPT LPSE is headed by Head of UPT LPSE which in carrying out its main duty and function is located under and responsible to Head of Service of Communications and Informatics of Malang City.

The duty of LPSE of Communications and Informatics Service of Malang City based on Mayor of Malang Regulation no. 13 Year 2011 on the Establishment of Organization and Working Procedures Technical Implementation Unit Electronic Procurement Service on the Service of Communications and Informatics of Malang City, among others:

1. facilitate budget users/authorized users of the budget in announcing the general procurement plan;
2. facilitate the Procurement Committee in announcing procurement announcements;
3. facilitate procurement committee/officials in electing providers of goods/services electronically;
4. facilitate providers of goods/services and other interested parties who become users of electronic procurement systems;
5. UPT LPSE can serve the needs of BUMN/BUMD/NGO in implementing procurement of goods/services electronically;
6. LPSE does not undertakes and isn't responsible for the procurement of goods/services procurement package, the determination of procurement methods and requirements, the preparation of the procurement schedule and its amendment, the contents of the procurement document and its addendum, the content of the announcement, the qualification data from the goods/services provider, , the contents of the bidding documents, the results of evaluation, news of the outcome of the tender/selection/direct selection, the

determination of the winners and announcements, as well as the contents of the rebuttal and answer.

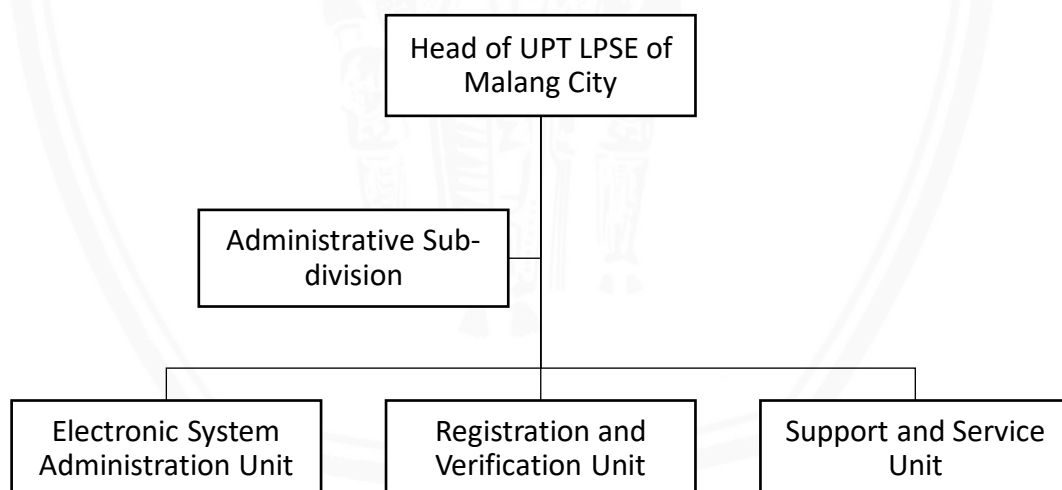
The function of Electronic Procurement Service (LPSE) of Malang City based on Malang Mayor's Regulation No.13 Year 2011 on the Establishment of Organization and Administration Procedure Technical Implementation Unit Electronic Procurement Services on the Communications and Informatics Service, among others:

1. arrangement of work program of UPT LPSE;
2. the arrangement of e-Procurement management program activities within the Regional Government;
3. management of SPSE and its infrastructure;
4. SPSE User registration and verification implementation;
5. implementation of training/training services to the Procurement Committee and Officials and Providers/Suppliers to master e-Procurement system;
6. implementation of SPSE operations technical support;
7. the implementation of services to the Procurement Committee and Officials and Providers;
8. the implementation of the provision of information and consultation services (helpdesk) serving the Procurement Committee and Officials and Providers/Services relating to the e-Procurement system;
9. the implementation of the provision of information and data relating to the procurement process of goods/services that have been done for the purposes of the audit process, monitoring, and evaluation;

10. the implementation of reporting to budget users, the authority of budget users, and budget-making official if there are any irregularities in the procurement of electronic government goods/services with copies to the Inspectorate of Malang City;
11. general administrative practices include the preparation of programs, administration, finance, personnel, public relations equipment, and UPT LPSE households;
12. implementation of Minimum Service Standards.

Electronic Procurement Service (LPSE) of Communications and Informatics Service of Malang City has an organizational structure as follow:

Figure 4. The Organizational Chart of LPSE of Communications and Informatics Service of Malang City



Source: Organizational Structure Board of LPSE of Communications and Informatics Service of Malang City with permission

The above chart can be interpreted that the Head of UPT LPSE of Malang City supervise one sub-division and three units namely Administration Sub-division, Electronic System Administration Unit, Registration and Verification

Unit, and Support and Service Unit. Head of UPT LPSE of Malang City get orders or led directly by Head of Communications and Informatics Service of Malang City.

4.2. Research Findings

4.2.1. The Roles and obstacles faced by LPSE of Communications and Informatics Service of Malang City

The legal basis of procurement system in Malang city is based on the constitutions. The legal basis for the establishment of LPSE is Article 111 Number 54 of 2010 concerning the procurement of government goods / services whose operational technical provisions are governed by LKPP Head Regulation Number 2 of 2010 concerning Electronic Procurement Services. LPSE in organizing electronic goods / services procurement systems is also required to fulfill the requirements as stipulated in Law Number 11 of 2008 concerning Electronic Information and Transactions.

The services available in the Electronic Procurement System are currently e-tendering whose operational technical provisions are regulated by the Head of LKPP Regulation Number 1 of 2011 concerning E-Tendering Procedures. In addition LKPP also provides Electronic Catalog facilities (e-Catalog) which are electronic information systems that contain lists, types, technical specifications and prices of certain goods from various government goods / services providers, online audit processes (e-Audit), and governance how to purchase goods / services through electronic catalog (e-Purchasing).

In addition, the procedure used by LPSE in procurement system is in accordance with Presidential Regulation Number 16 of 2018 about Procurement of Government Goods/Services article 73. Based on Presidential Regulation Number 16 Year 2018 article 73 which reads:

1. Ministries/Institutions/Regional Governments carry out electronic procurement service functions;
2. The functions of electronic procurement services as referred to in paragraph (1) include:
 - a. management of all Procurement information systems Goods / Services and infrastructure;
 - b. implementation of user registration and verification all information systems for procurement of goods / services; and
 - c. information system development needed by stakeholders.
3. LKPP sets standards for service, capacity and SPSE information security and support systems;
4. LKPP conducts guidance and supervision of services electronic procurement;
5. Further provisions regarding service functions electronic procurement as referred to in paragraph (2) is regulated by the Regulation of the Head of the Institution.

This is in accordance with the interview results obtained from Head of LPSE of Communications and Informatics Service of Malang City as follows:

“Dasar hukum itu sendiri pasti dari hukum. LPSE dibentuk berdasarkan undang-undang nomor 54 tahun 2010, maka tentu saja semua yang kita lakukan, terkait dengan semua prosedur pengadaan yang terus diperbarui, undang-undang terbaru tentang pengadaan

barang / jasa , yaitu Peraturan Presiden Nomor 16 tahun 2018” (Wawancara pada 23 November 2018 pukul 13.00 WIB).

“The legal basis itself for certain is from the law. LPSE was formed based on law number 54 of 2010, then of course everything we do, related to all procurement procedures in accordance with the laws that are constantly updated, the latest law on the procurement of goods / services, namely Presidential Regulation Number 16 of 2018. What is clear is that the procedures and everything we do are inseparable from the regulations in the law” (Interview on 23 November 2018 at 13.00 WIB).

From the results of the interview above, it can be seen that the system of procurement of goods / services in the city of Malang complies with the applicable regulations, namely the regulation on the establishment of LPSE article 111 Number 54 of 2010 concerning the procurement system for goods / services. While technically, all procedures for the procurement of goods / services are based on LKPP Head Regulation Number 2 of 2010 concerning Electronic Procurement Services. LPSE in organizing electronic goods / services procurement systems is also required to fulfill the requirements as stipulated in Law Number 11 of 2008 concerning Electronic Information and Transactions.

In addition, the Head of LPSE also added that LPSE adheres to ethics and principles in carrying out the tasks of procurement of goods / services, as follows:

“Ketika menyangkut soal pekerjaan, kami memiliki prinsip dan etika, etika, misalnya, seperti kami tidak membocorkan informasi mengenai pengadaan barang / jasa yang kami lakukan, karena itu termasuk rahasia negara. Selain itu, kami juga cukup ketat dalam pekerjaan kami, masing-masing staf mengawasi kinerja masing-masing dan menyarankan dan mendorong satu sama lain dan ada juga sanksi bagi staf yang tidak melaksanakan kewajibannya. Selain itu kami juga memiliki prinsip, karena pekerjaan ini terkait dengan urusan negara, biasanya ada mereka yang mencoba untuk praktik suap, tetapi kami memiliki komitmen untuk tidak melakukan itu karena itu akan merugikan negara” (Wawancara pada 23 November 2018 pukul 13.15 WIB).

“When it comes to work, we have principles and ethics, ethics, for example, like we do not divulge information regarding the procurement of goods / services that we do, because that includes state secrets. In addition, we are also quite strict in our work, each staff oversees each other's performance and advises and encourages each other and there are also sanctions for staff who do not carry out their obligations. Besides that we also have a principle, because this work is related to state affairs, usually there are those who try to practice bribery, but we have a commitment not to do that because it will harm the country” (Interview on 23 November 2018 at 13.15 WIB).

Based on the results of the interview above, it can be seen that in carrying out its duties to procure goods / services, LPSE adheres to a number of ethics and principles. LPSE is committed to doing work professionally by not divulging information, working effectively with sanctions if someone commits a violation, and commits to not accepting bribes in any form because this can be detrimental to the state. The steps taken by LPSE in e-procurement are as follows:

1. The Procurement planning stage includes:
 - a. General planning of procurement of goods / services procurement
 - b. Planning of arranging packages and costs for procurement of goods / services
 - c. Creating an organization of goods / services procurement
 - d. Planning for the implementation of goods / services procurement
2. Stage of Selection of Goods / Services Providers from:
 - a. Provider decision making
 - b. Preparation of provider and HPS documents
 - c. Announcement
 - d. Registration and retrieval of documents
 - e. Explanation

- f. Entry and bidding of order documents
 - g. Offer bid documents
 - h. Setting out
 - i. Disclaimer
 - j. Issuance of SPPBJ
 - k. Make a contract
 - l. Making
 - m. Procurement
 - n. Preparation
 - o. Selection of Goods Providers and
 - p. Services
 - q. Contract Management
 - r. Acquisition of Handover
 - s. Asset
3. Stage of Contract Management
- a. Preparation for contract implementation
 - b. Management of quality / risk management programs
 - c. Contract control
 - d. Performance evaluation
 - e. Clothing Management
 - f. Dispute resolution
 - g. Clothing Management
 - h. Dispute resolution

- i. Handling technical failures
- j. Termination of contract
- k. Acceptance and submission
- l. Reporting

The implementation of e-procurement in the city of Malang brings a number of positive impacts in the form of more effective processes for the procurement of goods and services and all procedures that can take place more transparently. This is as described by the Head of LPSE as follows:

“Ada banyak dampak positif dari perubahan sistem pengadaan dari konvensional ke elektronik. Dampak positifnya adalah apa yang bisa kita rasakan sekarang, yaitu proses pengadaan menjadi lebih sederhana karena tidak perlu mengumpulkan dokumen secara langsung, hanya perlu diunggah. Maka itu juga lebih efektif dan efisien karena ruang lingkungannya luas, pertama ketika masih menggunakan yang konvensional itu dibatasi oleh cakupan wilayah, jika sekarang jaringan internet penting, waktu pengadaan lebih pendek, karena sebelum itu pengarsipan harus cukup lama menunggu dokumen untuk mencapai tujuannya, sekarang lebih pendek. Selain itu, e-procurement ini dapat mengurangi pengeluaran karena jika digunakan membutuhkan banyak kertas, sekarang tidak lagi diperlukan. Selain itu juga lebih transparan sehingga bahwa pengguna bisa lebih puas” (Wawancara pada 23 November 2018 pukul 13.35 WIB).

“There are a lot of positive impacts from changes in procurement systems from conventional to electronic. The positive impact is what we can feel now, namely the procurement process becomes simpler because it does not need to collect documents directly, only needs to be uploaded. Then it is also more effective and efficient because the scope is broad, first when still using the conventional one it was constrained by regional coverage, if now the internet network is important, the procurement time is shorter, because before that the filing must be quite long waiting for the document to reach its destination, now it's shorter. In addition, this e-procurement can reduce expenditure because if it used to require a lot of paper, now it is no longer needed. Besides that it is also more transparent so that users can be more satisfied” (Interview on 23 November 2018 at 13.35 WIB).

Based on the results of interviews with the Head of LPSE, it can be seen that the positive impact of the procurement of goods / services electronically includes (i) simplifying the procurement process, (ii) the process becomes more effective and efficient, (iii) reducing transaction costs due to reduced telephone or fax use or documents that use paper, (iv) reduce the time of ordering goods, (v) coverage becomes wider (vi) Increase user satisfaction.

Despite of the positive impact, the implementation of e-procurement in the city of Malang also has a negative impact as described by the Head of LPSE as follows:

“Dampak negatif pasti ada, dampak negatif dari perubahan pengadaan menjadi e-procurement, dampak negatifnya adalah sumber daya manusia yang kompeten dan memadai diperlukan yang memahami penggunaan internet, rata-rata masih banyak staf yang tidak memahami cara mengoperasikan teknologi, sehingga implementasi e-procurement tidak dapat dilakukan secara optimal. Selain itu, karena sumber daya manusia masih belum sepenuhnya mengerti, akhirnya tingkat kelalaiannya tinggi, maka rentang jadwal lelang negara masih belum sepenuhnya tepat waktu. Selain itu ada juga dampak negatif lainnya seperti membutuhkan bandwidth besar, serta teknologi pendukung lainnya” (Wawancara pada 23 November 2018 pukul 13.45 WIB).

“There must be a negative impact, the negative impact of procurement changes into e-procurement, the negative impact is that competent and adequate human resources are needed that understand internet usage, on average there are still many staff who do not understand how to operate technology, so the implementation of e-procurement is not can be done optimally. In addition, because the human resources still don't fully understand, finally the level of negligence is high, then the range of state auction schedules is still not fully timely. Apart from that there are also other negative impacts such as requiring large bandwidth, as well as other supporting technologies” (Interview on 23 November 2018 at 13.45 WIB).

Based on the results of the interview above, it can be seen that the negative impact of the shifting of procurement systems into electronic procurement systems, among others (i) human resources still do not fully understand the issue of e-procurement applications, (ii) very high negligence rates, (iii) the range of the state auction schedule is still not fully able to be followed by the procurement committee exactly as specified, (iv) the availability of internet connection facilities and other supporting facilities is still very limited, (v) limited bandwidth.

In performing the roles and duties, principal and functions, any government organizations or government agencies must be based on regulations. In line with this, the researcher presents data of the Regulation of the Head of Government Procurement Policy Agency Number 2 Year 2010 About Electronic Procurement Service.

In this regulation mentioned in article 4 is LPSE perform functions also as roles, among others:

1. organizing an activity program, administration, evaluation and reporting of Procurement of Goods/Services electronically in Ministry/Institution (*lembaga*)/Regional work unit (SKPD)/Institution;
2. managing procurement system electronically (SPSE) and its infrastructures;
3. performing registration and verification of procurement system electronically (SPSE) Users;
4. Carrying out training services and technical support of procurement system electronically (SPSE) operations.

Not only that, the roles of each organizational structure of LPSE of Communications and Informatics Service of Malang City which are also mentioned in the Regulation of the Head of Government Procurement Policy Agency Number 2 Year 2010 About Electronic Procurement Service, among others:

1. Mentioned in the Article 7, the role and task of the Head of LPSE of Communications and Informatics Service of Malang City is leads LPSE in performing its tasks and functions. Here is the statement of Head of LPSE of Communications and Informatics Service of Malang City when performing his roles,

“Saya mencoba untuk memimpin LPSE sebaik mungkin, mas. Saya coba agar LPSE bisa menjalankan tugas dan fungsinya dengan baik juga mas” (Wawancara pada 2 Maret 2018 pukul 08.00 WIB).

“I try to lead LPSE as well as I can, mas. I try for LPSE can perform the roles and functions as well either” (Interview on 2 March 2018 at 08.00 WIB).

Above statement means that the Head of LPSE tries to lead LPSE as best as possible and tries to enable LPSE to perform its tasks and functions as well as possible.

The Head of LPSE of Communications and Informatics Service of Malang City while running his role is leads LPSE in performing its tasks and functions, facing the obstacle that is difficult to coordinate and communicate with LKPP in Jakarta which has slow responses. This is statement by Mr. Redy Janandjaja Suselohadi as Head of LPSE of Communications and Informatics Service of Malang City namely,

"Jadi gini, mas. Karena kami hanya bagian dari LKPP jadi segalanya yang punya LKPP. Aplikasi termasuk sistem layanan e-Procurement dimiliki oleh LKPP. Kalau ada kendala terkait aplikasi dan kami enggak bisa menyelesaikannya, kami harus contact LKPP. Lalu, yang memperbaikinya LKPP di Jakarta dan butuh waktu lama. Seringkali, durasinya lama dan enggak bisa dihubungi saat proses memperbaiki. Terkadang ketika saya atau yang lain (orang yang bekerja di LPSE Dinas KOMINFO Kota Malang) coba contact LKPP lewat beberapa cara kayak WhatsApp, email, dan panggilan telepon. Sayangnya, enggak ada balasan. Mungkin mas, karena mereka ngurus seluruh Indonesia, jadi terasa sulit bagi LKPP dan dampaknya ke kita (LPSE) di kabupaten/kota yang merasakan kesulitan juga" (Wawancara 05 Maret 2018 pukul 12.00 WIB).

"So, here it is. Because we are only part of LKPP so everything that has LKPP. The applications included e-Procurement System is owned by LKPP. If there are obstacles related to the applications and we cannot solve it, we must contact LKPP. Then, who fixing it is LKPP in Jakarta and it takes a long time. Frequently, the duration is a long time and cannot be contacted while the fixing process. Sometimes when I or the others (persons who working at LPSE of Communications and Informatics Service of Malang City) try to contact LKPP through some ways that are WhatsApp, email, and phone calls. Unfortunately, there is no reply. Maybe *mas*, because it takes care of the whole of Indonesia, so it feels too heavy for LKPP and impacted towards us (LPSE) in districts/cities that feel the difficulty either" (Interview on 05 March 2018 at 12.00 WIB).

The above statement has some meanings that are LPSE in whole Indonesia is a part of LKPP and the applications are fully owned by LKPP. In other words, LPSE only operates the applications and LKPP as the main administrator of the applications who has full authority. Accordingly, if there is error system and LPSE can't to handle so LPSE must contact to LKPP because LPSE doesn't have authority to fix it in advance. Unfortunately, it's often happens that LPSE difficults to contact LKPP. LPSE is contacting LKPP because the fixing process is too long.

The statement of Head of LPSE of Communications and Informatics Service of Malang City about the difficulty to coordinate with LKPP is concurred and reinforced by some statements. Almost from every organizational structure of LPSE of Communications and Informatics Service of Malang City has the difficulty to coordinate with LKPP. There are two same statement about the difficulty to coordinate with LKPP.

Based on the explanation from Mrs. Nunuk Sulistyowati as the staff of Administrative Sub-division of LPSE of Communications and Informatics Service of Malang City who is facing obstacle while running her role that is coordinating activities within the LPSE and related institutions namely,

“Saya merasa sulit berkoordinasi dengan pusat LKPP di Jakarta terutama ketika menangani sertifikat standarisasi. Sulit menghubungi LKPP saat proses penyelesaian sertifikat. Kita menunggu waktu yang lama untuk penyelesaian sertifikat standarisasi dan mungkin sekitar setengah tahun, sertifikat dikirimkan kepada kami. Jadi itu semua, mas” (Wawancara pada 07 Maret 2018 pukul 12.00 WIB).

“I feel difficult to coordinate with LKPP center in Jakarta especially when handling of standardization certificate. It’s difficult to contact LKPP while the process of certificate completion. We are waiting for a long time for completion of the standardization certificate and maybe around half of the year, the certificate is delivered to us. So that’s it, mas” (Interview on 07 March 2018 at 12.00 WIB).

The above statement has some meanings that are LKPP handling the making of standardization certificate and LKPP difficult to contact while the completion process. Unfortunately, the completion time of standardization certificate is too long who feels by LPSE of Communications and Informatics Service of Malang City.

Based on the explanation from Mr. Nanda Prima Setiawan as the Electronic System Administration Unit of LPSE of Communications and Informatics Service of Malang City who facing the obstacle that is difficult to coordinate and communicate with LKPP in Jakarta which has slow responses while running his role that is providing information to LKPP in Jakarta about technical obstacles occurring in LPSE namely,

“Kadang penanganannya lama, mas. Contohnya versi e-Procurement telat upgradenya. Padahal kita udah kirim surat jauh hari. Kita antri, mas. Soalnya kan ngurusi seluruh Indonesia. Source codenya tidak dikasih ke LPSE, jadi cuma LKPP di Jakarta yang bisa nangani” (Wawancara pada 08 Maret 2018 pukul 12.00 WIB).

“Sometimes the handle is too long respond, mas. For example, the version of e-Procurement System is late to upgrade. Even though we've sent a letter long day. We are queuing, mas. Because it takes care of the whole of Indonesia. The source code of the e-Procurement System is not given to LPSE, so only LKPP in Jakarta that able to handle it” (Interview on 08 March 2018 at 12.00 WIB).

Above statement has the meaning that the electronic system administration unit gets a long response from LKPP in upgrading the e-Procurement System version. The long response is caused by the queue in processing the system that want to be upgraded and because LKPP takes care of LPSE all over Indonesia. LPSE cannot upgrade the e-Procurement System version because they are not authorized to do so.

The Head of LPSE, the staff of Administrative Sub-division, and Electronic System Administration Unit has the same obstacles that is difficult to coordinate and communicate with LKPP in Jakarta which has slow responses. Head of LPSE and Electronic System Administration Unit said the

long responses from LKPP can be caused by the number of LPSE from all over Indonesia that they have to manage. Thus, LKPP feel overwhelmed to manage of it.

Head of LPSE not only experience the communication obstacle and coordination with LKPP but also with his subordinates only in terms of communication when running his role as a leader. This happens because of the imbalance in human resources of LPSE. The following statement by LPSE 's head regarding communication obstacles with his subordinates namely,

“Hambatannya saat ngasih petunjuknya sih, terkadang komunikasinya susah. Sulit untuk komunikasi saat memberikan petunjuk, penjelasan, dan panduan kepada teman - teman di setiap posisi LPSE. Ada yg bisa diajak ngomong sekali paham ada yang dua kali dan ada yang harus dijelasin dulu pelan-pelan. Jadi mas, penyebabnya karena perbedaan kemampuan sumber daya manusia dari teman – teman dulunya. Saya sih berharap agar semuanya dengan mudah memahami petunjuk, penjelasan, dan panduan yang disampaikan hanya dalam sekali ngomong secara bersamaan” (Wawancara 05 Maret 2018 pukul 12.25 WIB).

“The obstacle is when giving instructions, the communication sometimes feel difficult. Difficult to communicate when giving instructions, explanations, and guides to friends in every LPSE positions. There is someone that able to understand just in once communication, there are some persons that able to understand in twice talks and there is person should be explained first slowly. So, *mas*, it's caused by the differences of each human resource capability of friends in formerly. I do hope that everyone will easily understand the instructions, explanations, and guides that are delivered in just one simultaneous way” (Interview on 05 March 2018 at 10.25 WIB).

From the above statement can be concluded that the head of LPSE experiencing communication obstacle with subordinates when providing

instructions, explanations, and guides. The cause is due to the imbalance of human resources of each individual. Head of LPSE hopes that all can understand the communication given in just one talk simultaneously.

Head of LPSE states that imbalance of human resources not only causes obstacles in communicating. Possibly, human resource imbalance also affects less than optimal services. Here is the following statement of the LPSE 's head on the matter,

“Mungkin karena kita dulunya itu ada ketimpangan dari segi sumber daya manusia, jadinya pelayannya mungkin kurang optimal. Terkadang saya dan semuanya saling mencoba membimbing itu mas untuk memahami materi-materi pelatihan yang diberikan oleh LKPP. Karena kemampuan sumber daya manusianya berbeda untuk memahami materi, jadi susahny buat mereka paham bareng-bareng pas sekali penjelasan. Otomatis, kita harus saling mengoreksi dan kita kembalikan lagi bahwa kemampuan sumber daya manusianya beda, kemampuan penguasaan materi beda. Hasil kerjanya juga beda-beda, ada yang udah bagus ada yang kurang, tapi enggak sampai jelek jelek sekali enggak ada. Paling kurang dikit apa gitu” (Wawancara 05 Maret 2018 pukul 12.55 WIB).

“Maybe, because we are in the past have an imbalance in terms of human resources, the services may be less than optimal. Sometimes I and everyone try to guide each other to understand the training materials provided by LKPP. Because of the imbalance human resources ability to understand the materials, so difficult for them to understand simultaneously in once explanation. Automatically, we have to correct each other and we return again that the ability of human resources is different, the ability to mastery the materials are different. So, that the results of their works also different. There are already good and there are less, but there isn't too bad. There may be a slight lack of whatever it is” (Interview on 05 March 2018 at 12.55 WIB).

Above statement means that the imbalance of human resources occurring in LPSE is likely to lead to less than optimal service. Imbalance of human resources occurs from the mastery of each individual towards the material

that has been given is differently. Material training is provided by LKPP. Differentiation in the mastery of the material of each individual gives the impact on different work results.

The statement about imbalance of human resources that occurred formerly in LPSE is reinforced by staff of Administrative Sub-division. The staff of Administrative Sub-division explains if the result of evaluation is less satisfactory in aspect of imbalance human resources. Here is the statement,

“Kalau dibilang kendala, ini bukan mas. Namun lebih ke hasil yang tidak sesuai harapan. Ketika kami jalanin evaluasi di tahun – tahun sebelumnya, hasilnya kurang memuaskan dari segi sumber daya manusia yang tidak merata. Bapak Redy yaitu Kepala LPSE kita memiliki harapan dimana LPSE memiliki kemampuan sumber daya manusia yang merata” (Wawancara 07 Maret 2018 pukul 12.15 WIB).

“If it’s say as an obstacle, not this one *mas*. However, more to results that do not match expectations. When we do an evaluation in previous years, the result is less satisfactory in aspect of imbalance human resources. Mr. Redy he is our head of LPSE have an expectation which is LPSE has an equal human resource capability” (Interview on 07 March 2018 at 12.15 WIB).

The above statement has the meaning that the statement conveyed by Mrs. Nunuk Sulistyowati as a staff of the Administrative Sub-division is not an obstacle but about the expectation of the evaluation result. In previous years, LPSE received unsatisfactory evaluation results in terms of imbalance human resources.

2. Mentioned in the Article 8, Paragraph 2: The roles and functions of the Administrative Sub-division of LPSE of Communications and Informatics Service of Malang City are:

- a. Coordinating activities within the LPSE and related institutions;
- b. Organizing administrative and general administrative management to support the smooth implementation of LPSE duties and functions;
- c. Managing facilities, infrastructure, and resources;
- d. Controlling, evaluating, and reporting activities;
- e. Performing other tasks assigned by the Head of LPSE in accordance with the duties and functions.

Here is the statement from Staf of Administrative Sub-division when performing her roles,

“Saya terlibat dalam kegiatan bimbingan teknis, bantu teman-teman melaksanakan BIMTEK. Kalau e-Procurement saya cuma terlibat di sosialisasinya saja. Saya dapat bagian absensi, souvenir, dan makanan/snack” (Wawancara pada 2 Maret 2018 pukul 08.30 WIB).

“I am involved in technical guidance activity, help my friends implement technical guidance (BIMTEK). For e-Procurement, I am only involved in the socialization. I get absenteeism part, souvenirs, food/snacks. I get the absenteeism part, souvenirs, and food/ snacks” (Interview on 2 March 2018 at 08.30 WIB).

Above statement explains that the Administration Sub-division is involved in technical guidance and socialization activities. The Administration Sub-division carries out the absenteeism section or anyone who attends these activities, takes care of the availability of souvenirs, and maintains the availability of foods or snacks.

The staff of Administrative Sub-division has her own another difference obstacle, except the same obstacles that is the staff of Administrative Sub-division and LPSE 's head faced about difficult to communicate and

coordinate with LKPP. Everything related to administration things are handled by the Administrative Sub-division. The obstacles that have faced are many related to the administration things such as documents, facilities, resources and involved in LPSE activities one of that is Technical Guidance (BIMTEK).

Based on the statement from Mrs. Nunuk Sulistyowati as the staff of Administrative Sub-division of LPSE of Communications and Informatics Service of Malang City who is facing obstacle while running her role that is organizing administrative and general administrative management to support the smooth implementation of LPSE duties and functions namely,

“Kendalanya sedikit, ada dan tidaknya tergantung kita. Karena menunda pekerjaan bisa sampai lembur, jadinya kalau kita enggak kerjakan tugas dengan cepat berdasarkan sistem triwulan nanti kan tugasnya bisa numpuk. Terus, kalau kerjaan menumpuk diserahkan ke saya, soalnya saya kan cuma sendiri sebagai staf tata usaha dan enggak ada yang bantu. Biasanya kalau kerjaan menumpuk itu setelah selesai BIMTEK (bimbingan teknis). Setelah BIMTEK pekerjaan kan banyak, mulai proses awal sampai kontrak-kontrak kerja itu saya yang ngerjakan. Kalau kendala pas saya bantu sosialisasi ya selama ini belum ada kendala, jadi temen - temen juga tertib ngerjakan tugasnya masing - masing saat sosialisasi” (Wawancara pada 07 Maret 2018 pukul 12.30 WIB).

“The obstacles are few, whether or not they depend on us. Because delaying the work can be overtime, so if we do not do the task quickly based on the system of the next quarter it will be caused in later the tasks can pile up. Then, if the task piling up submitted to me, because I'm just myself as administrative staff and there is no assistance. Usually, work piling up after BIMTEK (technical guidance) finished. After BIMTEK there are task a lot. Started from the initial process until the contracts, I do the tasks. There are no obstacles when I assisting the socialization. So, the others are orderly do their tasks during socialization” (Interview on 07 March 2018 at 12.30 WIB).

Above statement has the meaning that is the obstacle depends on each individual responding. Delaying work can cause work to be overtime. Because the administrative staff is just one person, Mrs. Nunuk Sulistyowati feels it difficult when the work piles up. Stacking jobs usually occur after technical guidance. The work includes the initial process of technical guidance to work contracts. During the socialization, Mrs. Nunuk Sulistyowati has not faced any obstacles because all running in orderly.

The next obstacle comes from facilities. In the past, LPSE experienced lack of facilities such as there is no receptionist desk and there is no self-owned internet. In the past, LPSE joined the internet connection with Communications and Informatics Service of Malang City. However, low internet speed occurred sometimes. These obstacles are explained by staff of Administrative Sub-division namely,

“Beberapa fasilitas dulunya kurang memadai mas, seperti meja resepsionis yang enggak ada. Dahulu itu mas, LPSE ikutan pakai internet KOMINFO Kota Malang. Kecepatannya terkadang berjalan lemot. Karena itu, kami berinisiatif untuk pasang koneksi internet sendiri. Alhamdulillah, sekarang kita sudah memiliki koneksi internet kita sendiri” (Wawancara pada 07 Maret 2018 pukul 12.45 WIB).

“Some facilities that are less adequate in the past *mas*, such as a receptionist desk that does not exist. One-time, LPSE joined the internet of KOMINFO (Communications and Informatics Service) of Malang City. The speed sometimes is running slow because of that, we initiatives to install our own internet connection. Alhamdulillah, now we already have our own internet connection” (Interview on 07 March 2018 at 12.45 WIB).

The above statement has the meaning that once LPSE experienced a lack of facilities. Formerly, the reception desk was not available and LPSE joined

the Internet of KOMINFO of Malang City. Sometimes the internet runs slowly when LPSE joined the internet with KOMINFO of Malang City. However, LPSE now has its own Internet.

3. Mentioned in the Article 9, Paragraph 2: The roles and functions of Electronic System Administration Unit of LPSE of Communications and Informatics Service of Malang City are:
 - a. Preparing and maintaining software, hardware and networking;
 - b. Handling technical issues that occur to ensure reliability and availability of services;
 - c. Providing information to lkpp about technical constraints occurring in lpse;
 - d. Doing technical instructions from LKPP.

Here is the statement from Electronic System Administration Unit when performing his roles,

“Menjaga dan mengelola aplikasi e-Procurement agar tetap menyala 24 jam” (Wawancara pada 2 Maret 2018 pukul 09.00 WIB).

“Maintaining and managing e-Procurement application that able to run on 24 hours” (Interview on 2 March 2018 at 08.30 WIB).

The meaning of above statement is maintaining and managing e-Procurement System running on 24 hours doing by Electronic System Administration Unit.

The obstacles can come either from Electronic System Administration Unit. Electronic System Administration Unit administrates all matters about the system of applications in LPSE one of that is e-Procurement System. Like

any other, Electronic System Administration Unit can't get off from obstacles. The obstacles that occurred in Electronic System Administration Unit usually comes from maintain applications and handling technical issues.

Researcher will be explaining the obstacle while Electronic System Administration Unit running his role that is prepare and maintain software, hardware and networking one of that is maintaining e-Procurement System firstly. So, here is the statement from Electronic System Administration Unit,

“Pernah sekali terjadi, pas tengah malam enggak ada yg bisa upload ke e-Procurement tapi itu dulu” (Wawancara pada 08 Maret 2018 pukul 12.10 WIB).

“Once it happened, in the midnight there is no one cannot upload data to e-Procurement System in formerly” (Interview on 08 March 2018 at 12.10 WIB).

Above statement has the meaning that once happened in LPSE, no one can upload data to e-Procurement System.

Researcher will be explaining the obstacle while Electronic System Administration Unit running his role that is handling technical issues that occur to ensure reliability and availability of services secondly. So, here is the statement from Electronic System Administration Unit,

“Misalkan terjadi salah upload dan tidak bisa ditangani di daerah. Misalkan juga masalahnya hanya lupa password atau email” (Wawancara pada 08 Maret 2018 pukul 12.15 WIB).

“For example, there is an incorrect upload and cannot be handled in the district/city. In an example either, the problems just forget about the password or email” (Interview on 08 March 2018 at 12.15 WIB).

The above statement has the meaning there is wrong upload and cannot be fixed by LPSE. Obstacles can also occur when a user or provider just

forgets a password or email. Hereinafter, researcher will be explaining the obstacles comes from Registration and Verification Unit.

4. Mentioned in the Article 10, Paragraph 2: The roles and functions of Registration and Verification Unit of LPSE of Communications and Informatics Service of Malang City are:
 - a. serving the SPSE User registration;
 - b. submitting information to applicants of SPSE regarding the completeness of the required documents;
 - c. verifying all documents and information as SPSE user registration requirements;
 - d. administrating SPSE user files and documents.

Here is the statement from Registration and Verification Unit when performing his roles,

“Tugas saya memverifikasi data pengguna. Jadi, buat pengguna. Pertama, daftar online mengisi formulir online dan mengupload berkas online. Kedua, melakukan proses verifikasi dengan menunjukkan berkas asli ke LPSE dan fotokopi yang sudah diupload pada saat daftar online. Bila oke dan sudah sesuai, baru dibuatkan user-nya dan bisa dipakai” (Wawancara pada 2 Maret 2018 pukul 09.10 WIB).

“My job is verifying user data. So, for a user first, registering through an online form and uploading the online files. Second, perform the verification process by showing the original file to LPSE and a photocopy that already uploaded at the online form. When okay and appropriate, the user or account will be created and then it can be used” (Interview on 2 March 2018 at 09.10 WIB).

The statement above has the meaning that the task or role of the Registration and Verification Unit is to verify the user data. Simple flow to register e-Procurement System is; (i) online registration by filling out the

online forms and uploading the online files that are required, (ii) The Registration and Verification Unit will perform the verification process with the arrival of the registrant to the LPSE and show the original files along with the photocopies that already uploaded at the time of the online listing, (iii) if all has been done according to the requirements and then the user or account will be made, (iv) after an account is created, so the account can be used.

The obstacles that occurred in Registration and Verification Unit usually comes from registration and verification process of the applications that exist in LPSE. The registrants are come from private sector and local government. Additional information that is the Registration and Verification Unit is sitting next to Support and Service Unit with one long shared table. Usually, they are understood what happened with one another. This is proven by the obstacle that occurred in Registration and Verification Unit who is explained by Support and Service Unit while Registration and Verification Unit running his role that is serving the SPSE user registration,

“Ketika penyedia tidak bisa agregasi. Agregasi fungsinya yaitu si penyedia enggak mau cuma ikut lelang di LPSE Kota Malang, tetapi juga ingin ikut lelang nasional. Proses agregasi itu lewat LKPP dan terkadang datanya belum masuk” (Wawancara pada 14 Maret 2018 pukul 12.00 WIB).

“When the providers are cannot to register aggregation. The function of aggregation is the providers not just want to join auction in LPSE of Communications and Informatics Service of Malang City, but also want to join a national auction. Aggregation process must be to going through LKPP and sometimes the data has not been entered” (Interview on 14 March 2018 at 12.00 WIB).

Above statement has the meaning that the obstacle faced when the provider cannot register aggregation. The function of aggregation is that providers can participate in auctions at the national level. The aggregation registration process must go through LKPP first. However, sometimes the data required to register cannot be entered.

Further obstacles faced by the Registration and verification Unit will be explained by himself. Registration and Verification Unit are running the role that is submitting information to applicants of SPSE regarding the completeness of the required documents. In order to perform that role, Registration and Verification Unit faced the obstacle. The faced obstacle explains in the statement below,

“Hambatannya kurang lebih sama seperti mas Wara. Hambatan khusus yang dihadapi ketika penyedia mau daftar lelang. Penyedia ke mas wara dulu buat check persyaratan. Kalau sudah oke, baru ke saya. Ketika verifikator oke, penyedia baru sudah terverifikasi. Kendalanya, kalau penyedia kurang teliti. Misal ketika diminta KTP direktur asli dan fotokopi, mereka tidak dibawa” (Wawancara pada 12 Maret 2018 pukul 12.00 WIB).

“The obstacles are more or less the same as *mas Wara* (Support and Service unit). Specific obstacle that faced is when the provider wants to register auction. Provider go to *mas Wara* for checking requirements. If it's okay, then go to me. When verifier said okay, new provider is already verified. The obstacle, if the provider is less thorough. For example, when required the original Identity card of director and fotocopy isn't bring” (Interview on 12 March 2018 at 12.00 WIB).

Above statement has the meaning that the obstacle faced by the Registration and Verification Unit is more or less the same as the Support and Service Unit. The only obstacle faced by Registration and Verification Unit is

the thoroughness of the registrants. The registrant does not bring original ID and photocopy when required for registration requirements. Simple flow to register as a provider that is firstly, registrant checked the requirements on the Support and Service Unit. Furthermore, the registrant goes to the Registration and Verification Unit for verification. If it has been verified then it is the same as already registered as a provider.

The Registration and Verification Unit also has obstacle on the system of e-Procurement System when verifying. Based on the statement from Mr. Prisma Suganda as the Registration and Verification Unit of LPSE of Communications and Informatics Service of Malang City who is facing obstacle while running his role that is verifying all documents and information as e-Procurement System user registration requirements namely,

“Pernah terjadi mas, pendaftar tidak bisa mengunggah dokumen yang diperlukan untuk mendaftar e-Procurement ketika sistemnya error” (Wawancara pada 12 Maret 2018 pukul 12.20 WIB).

“Ever happened mas, the registrants can’t upload the documents that required registering e-Procurement System while the system is error” (Interview on 12 March 2018 at 12.20 WIB).

Above statement has the meaning that once happened; the registrant cannot upload the required documents to the e-Procurement System. This happens because the system has an error.

5. Mentioned in the Article 11, Paragraph 2: The roles and functions of Support and Service Unit of LPSE of Communications and Informatics Service of Malang City are:

- a. providing consultation services regarding the procurement process of goods/services electronically;
- b. providing information on the features and features of SPSE applications;
- c. handling complaints about LPSE services;
- d. serving training for the SPSE applications or users.

Here is the statement from Support and Service Unit when performing his roles,

“Membantu pelayanan dan mendukung LPSE dari sisi yang memang dibutuhkan. Tugas saya memberi penjelasan ke pengguna atau penyedia” (Wawancara pada 2 Maret 2018 pukul 09.20 WIB).

“Assisting the services and supporting LPSE from the side that is needed. My duty gives an explanation to the users or providers” (Interview on 2 March 2018 at 09.20 WIB).

Above statement means that the Support and Service Unit performs its roles or duties in terms of service and support, especially from the side that is required by LPSE. The role or duty can be in the form of explanation to the users or providers of e-Procurement System on any matter in LPSE especially concerning about e-Procurement System itself.

System errors that sometimes occurs on e-Procurement System causes complaint from user. This is faced by the Support and Service Unit of the interviews conducted by the researcher. Here is the statement from Mr. Aiswara as Support and Service Unit of LPSE of Communications and Informatics Service of Malang City who is has responsible to handle complaints about LPSE services,

“Pernah terjadi ketika sistem error, ada user komplain tentang e-Procurementnya enggak jalan dengan baik. Kita enggak bisa berbuat banyak tentang error sistem dari aplikasi e-Procurement, karena yang punya kewenangan penuh memperbaiki sistem hanya dari LKPP pusat di Jakarta” (Wawancara pada 14 Maret 2018 pukul 12.15 WIB).

“Ever happened when the system error, there is a user complained about e-Procurement doesn't running well. We cannot do much about the error system of e-Procurement System, because the one who has full authority to fix the system is only from the central LKPP in Jakarta” (Interview on 14 March 2018 at 12.15 WIB).

Above statement has a meaning that once there was a system error and there is user who complain because of it. LPSE cannot do more to overcome it because LPSE not authorized to fix it. Only center LKPP in Jakarta that able to fix system error.

The obstacle that comes from the system of e-Procurement not only about error but also couldn't uploaded the documents. At this stage the researcher will explain the obstacles faced by the Support and Service Unit based on the statement of the Support and Service Unit itself. The obstacle faced while Support and Service Unit performing his role that is providing consultation services regarding the procurement process of goods/services electronically. Here is the statement from Mr. Aiswara as Support and Service Unit about the obstacle,

“Lelang di Kota Malang dari si panitia enggak bisa upload dokumen untuk memberi penjelasan ke penyedia” (Wawancara pada 14 Maret 2018 pukul 12.30 WIB).

“The auction in the Malang city of the committee could not uploaded the documents to provide an explanation to the providers” (Interview on 14 March 2018 at 12.30 WIB).

The above statement has the meaning that the Auction Committee from Malang City cannot upload documents to provide information about the auction to the providers.

The obstacle that faced by Support and Service Unit not only came from e-Procurement System. The users and providers are can be the obstacles either sometimes. For example, there is some people still not quite understand about the features of e-Procurement System. This is stated by a statement from the Support and Service Unit. Here is the statement from Mr. Aiswara as Support and Service Unit of LPSE of Communications and Informatics Service of Malang City who is facing obstacle while running his role that is providing information on the features of SPSE applications namely,

“Ada sih, beberapa orang yang kurang paham tentang fitur aplikasi e-Procurement” (Wawancara pada 14 Maret 2018 pukul 12.35 WIB).

“There are some persons still doesn’t quite understand about the features of e-Procurement System” (Interview on 14 March 2018 at 12.35 WIB).

The above statement has the meaning that although it has been provided, there are still users or providers who have not fully understood the features in the e-Procurement System. This affects the utilization of e-Procurement System that is not optimal by the users or the providers itself.

Not only features about e-Procurement that sometimes cannot be fully understood by users or providers. While giving training, sometimes some users or providers have not been able to understand what has been delivered in the training. This is stated by the Support and Service Unit when the

researcher conducted the interview. Here is the statement from Mr. Aiswara as Support and Service Unit of LPSE of Communications and Informatics Service of Malang City who is has responsible to serve the training for the SPSE (e-Procurement System) users or providers,

“Hambatan saat sosialisasi atau ngasih pelatihan yaitu masih ada beberapa yang belum paham” (Wawancara pada 14 Maret 2018 pukul 12.40 WIB).

“The obstacle when socialization or gives training that is some aren’t understand yet” (Interview on 14 March 2018 at 12.40 WIB).

The above statement has the meaning that the obstacle faced by the Support and Service Unit is when socializing and providing training. There are some people who have not understood the socialization or training that has been given.

Based on observation done by researcher on March 15, 2018 At 09.00 WIB to 10:30 WIB, researcher witnessed that the Support and Service Unit is providing consultation services to user of e-Procurement System who in times of difficulty when logged into the website e-Procurement System. Once searched, the user entered the wrong password when trying to enter the e-Procurement System. The user forgot the password of her e-Procurement System account. Then, the Support and Service Unit tries to find out the user's password by using an administrator account and using the computer provided to users and providers located near the reception desk. After traced, eventually the password of the user successfully found and the user able to login e-Procurement System using her account.

Based on the interview result from every position of organizational structure while running its roles that based on the Head of Government Procurement Policy Agency Number 2 Year 2010 About Electronic Procurement Service, LPSE of Communications and Informatics Service of Malang City have been facing some obstacles. Every position of organizational structure has their own obstacles. However, there is one obstacle almost faced by every position of organizational structure that is difficult to make coordination or communication with LKPP which has slow responses.

That's all the roles and obstacles faced by each of organizational structures of LPSE of Communications and Informatics Service of Malang City in Organizing e-Procurement Service System. It can be concluded from the all above statement if the obstacles can come from anywhere or anything. The obstacles that are faced by LPSE usually came from LKPP and e-Procurement System. The obstacles that come from the people of LPSE themselves are ever happened, but that kind obstacle is only faced by the head of LPSE who is difficult to provide direction, communication, and guidance to subordinates.

The first obstacles that most often encountered by LPSE is came from LKPP. Precisely, this kind of obstacle is difficult to make coordination and communication with LKPP which has slow responses. This obstacle is faced by some organizational structures of LPSE that are Head of LPSE, Staff of Administrative Sub-division, and Electronic System Administration Unit surely.

The second obstacle that usually faced LPSE is about error system. The error system obstacle is able to create another obstacle. For example, the error system

obstacle able to cause complain by a user of e-Procurement System. The user complains obstacle is faced by Support and Service Unit. Error system of e-Procurement System is also faced by Registration and Verification Unit. The error system of e-Procurement System is able to hamper registration process. This kind of obstacle faced by Registration and Verification unit that gave statement if the registrants can't be uploading the documents that required to register e-Procurement System while the system is error. Both of which are system error in e-Procurement and the difficulty of coordinating with LKPP are two obstacles that often faced by LPSE.

Other obstacles that faced by LPSE are differently from each organizational structure. For example, only Staff of Administrative Sub-division that faced the obstacle about the piling up tasks. Another example, only Registration and Verification Unit that faced obstacle came from thoroughness of registrants.

Despite of technical problems and frequent miscommunication, there are other obstacles in the implementation of the procurement of goods / services electronically related to the organizational culture as described by the Head of LPSE as follows:

“Selain kendala teknis, kendala lain juga berasal dari budaya organisasi. Sudah menjadi kebiasaan di sini untuk melakukan pengadaan secara manual, konvensional, tidak elektronik, sehingga masih ada orang yang bertemu tatap muka dalam proses pengadaan barang dan jasa bahkan meskipun secara elektronik tidak memerlukan tatap muka, jadi jika masih ada hal seperti itu maka kesempatan untuk melakukan penipuan masih ada.”

“Despite of technical constraints, other constraints are also from organizational culture. It is customary here to carry out procurement manually, conventionally, not electronically, so there are still people who meet face to face in the process of procurement of goods and

services even though electronically does not require face-to-face, so if there is still such thing then the opportunity to commit fraud is still there.”

Based on the results of the interview above, it can be seen that there are other obstacles in the implementation of procurement of goods / services electronically, namely constraints related to organizational culture in the form of habitual attachment to procuring goods / services manually, so many still face to face in the process of procurement of goods / services which can trigger fraud.

4.2.2. The Efforts Undertaken by LPSE of Communications and Informatics

Service of Malang City to Overcome the Obstacles Faced

Various efforts have been undertaken by LPSE of Communications and Informatics Service of Malang City in order to overcome the obstacles that have ever faced. These efforts are conducted on an individual basis to coincide with each other. Individual efforts are done to overcome the obstacles that are only faced by the individual while the joined efforts by all or part of LPSE 's organizational structure is undertaken to deal with the obstacles faced by LPSE in whole or in part.

Common obstacles faced by some or almost all LPSE organizational structures are difficult to coordinate and communicate with LKPP in Jakarta which has a slow response. the obstacle of difficult to coordinate and communicate with LKPP in Jakarta which has a slow response faced by Head of LPSE , Staff of Administration Sub-division and Electronic System Administration Unit. Various efforts were undertaken by the three organizational structures to overcome difficult obstacle to coordinate and communicate with

LKPP in Jakarta which has a slow response. Here are some statements which are an effort by the Head of LPSE, Staff of Administration Sub-division and Electronic System Administration Unit to overcome difficult obstacle to coordinate and communicate with LKPP in Jakarta which has a slow response,

The first statement is from the Head of LPSE obtained from the interview conducted by the researcher. His statement is,

“Kayaknya kita harus ke Jakarta ngurus itu. Kita ke Jakarta bisa setahun dua kali untuk ngurus sertifikasi, permasalahan penting, dan koordinasi sama mereka. Pernah di tahun berapa SPSE nya drop. Sempat berapa lama enggak bisa dipakai, yaa harus install ulang. Terakhir kali November 2017 ke LKPP pusat, tapi enggak ketemu karena enggak janji. Makanya harus janji dulu, kalau enggak janji susah ketemu, karena mereka ngurus seluruh Indonesia. Meskipun, LPSE coba langsung pergi ke Jakarta buat ketemu dan koordinasi sama LKPP. LKPP enggak tentu bisa ketemu kita, mas. Apalagi, kalau LPSE enggak buat janji dulu. Sayangnya, emang sulit buat janji sama LKPP, karena LKPP punya banyak kesibukan. Buktinya, banyak LPSE dari seluruh Indonesia dikelola sama LKPP. Upaya LPSE pengen ketemu langsung sama LKPP meski udah buat janji atau belum, enggak bisa atasi hambatan kita. Tapi mas, LPSE pernah membahas bareng LKPP mengenai semuanya terutama e-Procurement. LKPP masih belum bisa merespon kendala dan masalah LPSE dengan segera mas” (Wawancara pada 05 Maret 2018 pukul 13.20 WIB).

“Looks like we have to go to Jakarta to take care of that. We can go to Jakarta twice a year to take care of certification, important issues, and coordination with them. Ever in what year, the SPSE is down. Ever how long it's cannot be used and need to re-install. The last time was November 2017 to LKPP center but did not meet because of there is no appointment. Therefore, we need to make an appointment first. If we do not make an appointment, it will be hard to meet. Because they take cares whole of Indonesia. Even though, LPSE tried directly going to Jakarta for coordinating to meet LKPP. LKPP may necessarily not able to welcome LPSE presence, even more if LPSE does not make an appointment before. Unfortunately, it's difficult to make an appointment because LKPP has a lot of busyness. This is evidenced by the number of LPSE from all over Indonesia which is managed by LKPP. LPSE effort to meet directly with LKPP after an appointment

or not, it is not able to overcome the difficult coordinating obstacle. Even tough, LPSE once successfully discussed with LKPP on all matters and especially e-Procurement. LKPP still cannot to respond LPSE obstacles and problems immediately” (Interview on 05 March 2018 at 13.20 WIB).

Above statement has the meaning that the Head of LPSE of Communications and Informatics Service of Malang City think that LPSE seems to have to go to Jakarta to meet with LKPP and discuss about certification, important issues, and coordination. It used to happen from SPSE (e-Procurement System) is down and cannot be used so have to re-install. The last visit of LPSE go to LKPP is in November 2017. However, LPSE could not meet with LKPP at that time because there is no appointment was previously made. LKPP is hard to visit if without an appointment is made previously. This is because of the busyness that experienced by LKPP who take care of all LPSE in Indonesia. However, LPSE in once is able to met LKPP and discuss everything that was deemed necessary especially regarding e-Procurement System. Efforts undertaken by LPSE to meet directly with LKPP and discuss, felt unable to overcome difficult obstacle to coordinate and communicate with LKPP which has a slow response. This is because LKPP still cannot respond immediately to the obstacles that faced by LPSE of Communications and Informatics Service of Malang City.

The second statement is from LPSE Administration Sub-division Staff obtained from the interview conducted by the researcher. Her statement is,

“Kita harus pergi ke Jakarta untuk mengurus itu dan berdiskusi untuk menyelesaikan masalahnya. Kalau kita pengen pergi ke LKPP pusat di Jakarta, kita harus membuat janji dulu. Kita sudah pernah kesana enggak janji dulu dan hasilnya kita enggak bisa ketemu. Menurut saya, upaya LPSE ketemu langsung sama LKPP itu kurang solutif dan kurang berhasil untuk ngatasi kendala koordinasi yang

sulit sama LKPP” (Wawancara pada 07 Maret 2018 pukul 13.00 WIB).

“We have to go to Jakarta to take care of that and discussed in order to solve the problems. If we want to go to LKPP Center in Jakarta, we have to make an agreement first. We've been there without an agreement and the results we cannot meet them. Based on my opinion, LPSE effort to meet directly with LKPP is less solutive and less succesfull to overcome the difficult coordinating obstacle” (Interview on 07 March 2018 at 13.00 WIB).

Above statement means that what has been said by the Staff of the Administration Sub-division has the same meaning as the statement said by the Head of LPSE that LPSE must go to Jakarta to discuss in overcoming or resolving all obstacles and everything else needed to be discussed. Statement by the staff of the Administration Sub-division toward undertaken effort doing by LPSE went to Jakarta to meet and discuss with LKPP considered less effective or efficient and less successful to overcome difficult obstacle to coordinate and communicate with LKPP which has slow response. This is more or less the same as what has been said by the Head of LPSE who think that the effort is considered unable to overcome difficult obstacle to communicate and coordinate with LKPP which has a slow response.

The third statement is from the Electronic System Administration Unit of LPSE obtained from interviews conducted by researcher. His statement is,

“Kalau saya enggak bisa ngingetin kesana mas, yang bisa ngingetin langsung kesana cuma kepala UPT LPSE nya, mas. Saya cuma ngingetin ke kepala UPT LPSE aja. Jadinya nanti kepala LPSE nya yang kasih tau agar e-Procurement Systemnya di upgrade. Meskipun responnya terlambat mas. Akhirnya, LPSE punya sistem layanan e-Procurement terbaru. Ngingatkan ke Kepala LPSE dan kemudian Kepala LPSE mengingatkan ke LKPP itu enggak bisa buat LKPP segera merespon laporan kita, termasuk laporan untuk meningkatkan

sistem layanan e-Procurement dalam versi terbaru” (Wawancara pada 08 Maret 2018 pukul 12.20 WIB).

“I cannot remind to LKPP *mas*, who can remind directly there just head UPT LPSE, *mas*. I just reminded to the head of UPT LPSE. Later, it will be the head of LPSE who tells the e-Procurement System is need to be upgraded. In a late respond, finally LPSE has the latest version of e-Procurement System. Reminding Head of LPSE and then Head of LPSE reminds LKPP, it’s not able to make LKPP respond our reports immediately including the report to upgrade e-Procurement System in newest version” (Interview on 08 March 2018 at 12.20 WIB).

The above statement means that the Electronic System Administration Unit cannot directly remind to LKPP about e-Procurement that is need to be upgraded immediately. Therefore, the Electronic System Administration Unit reminds the Head of LPSE previously and then the Head of LPSE proceed to LKPP. Within a slow response from LKPP, LPSE finally got the latest version of e-Procurement System. Effort undertaken by the Electronic Systems Administration Unit to remind LKPP and must go through the Head of LPSE previously was not able to accelerate the process in order the e-Procurement version will be upgraded soon.

The effort of LPSE to overcome difficult obstacle to coordinate and communicate with LKPP in Jakarta which has slow response is done together. LPSE makes an effort to visit LKPP in order to discuss all matters that deemed necessary that was being the effort undertaken by all parts of the organizational structure simultaneously. In other words, this effort is not done individually. This is slightly different from what the Electronic System Administration Unit does. When faced with a long response obstacle from LKPP that is a long response obstacle in upgrading the latest e-Procurement version, the Electronic System Administration Unit tries to remind the Head of LPSE which will then proceed to

LKPP. Thus, the Electronic System Administration Unit not only undertakes the effort to participate in a visit to LKPP in Jakarta for discussion. But it also tried to remind the Head of LPSE which will be forwarded by Head of LPSE to LKPP in Jakarta to overcome difficult obstacle to communicate and coordinate with LKPP which have slow response.

The next common obstacle faced by some or almost all LPSE organizational structures is the obstacle cannot upload documents or data to e-Procurement System that can occur due to system error. Obstacle can not upload documents or data to e-Procurement System which may occur due to system error and faced by Electronic System Administration Unit, Registration and Verification Unit, and Support and Service Unit. Various efforts were made by the three organizational structures to overcome the obstacle of not being able to upload documents or data to e-Procurement System which could occur due to system error. The following statements are the efforts undertaken by the Electronic Systems Administration Unit, Registration and Verification Unit, and the Support and Service Unit to overcome the obstacle of not being able to upload documents or data to the e-Procurement System that may occur due to system errors,

The first statement is from the Electronic Systems Administration Unit obtained from interviews conducted by researcher. His statement is,

“Dulu jadwal ada yang berhenti di hari libur. Lalu dihimbau untuk Bagian Layanan Pengadaan membuat jadwal berhenti di hari kerja dan jam kerja. Jadi, tidak ada yg berhenti di tengah malam. Jadi, penyelesaiannya ya himbauan ini tadi. Setelah jadwal diubah, enggak pernah terjadi lagi tuh di tengah malam tidak bisa unggah data ke sistem e-Procurement” (Wawancara pada 08 Maret 2018 pukul 12.40 WIB).

“In the past, there is schedule there that stops on a holiday. Then, appealed to the Procurement Services section to make a stop schedule on working days and working hours. So, there was no stopping in the middle of the night. The conclusion is only an appeal. After schedule is changed, there is never happened again in the midnight can't uploading data to e-Procurement System” (Interview on 08 March 2018 at 12.40 WIB).

Above statement has the meaning that LPSE used to be a schedule that stops on a holiday. The cessation of the schedules is the same as the absence of someone who maintains and takes care of directly the e-Procurement System. Therefore, LPSE appeals to the Procurement Services Division to change the existing schedule. Schedule that has changed there is no stopping in the middle of the night. After the schedule is changed, it never happens again in the middle of the night cannot upload documents or data to e-Procurement System.

The second statement is from the Registration and Verification Unit obtained from interviews conducted by researcher. His statement is,

“Untuk sistem error, cuma LKPP yang bisa memperbaikinya. Jadi, kita sudah pernah menghubungi dan konsultasi LKPP bahkan dua kali atau lebih. Jika responnya terlalu lama, saya coba berikan pemahaman kepada pendaftar untuk mengunggahnya nanti sampai sistemnya diperbaiki dengan sopan. Kita cuma lakukan konsultasi ke LKPP nasional saja, mas. Menghubungi LKPP dua kali atau lebih dan ngasih pengertian ke pendaftar mengenai sistemnya error itu mampu mengatasi kendalannya mas tetapi enggak segera selesai. Meskipun enggak segera selesai. Menghubungi LKPP dua kali atau lebih itu satu-satunya cara untuk mengatasi kendala error sistem e-Procurement. Memang, LKPP akan merespon meski enggak segera. Dalam beberapa hari atau bahkan minggu, LKPP ngasih konfirmasi kepada kita kalau sistemnya sudah diperbaiki. Jadi, cuma menghubungi LKPP yang bisa kita lakukan untuk mengatasi kendala error sistem. Setelah sistem diperbaiki, pendaftar dapat mengunggah dokumen dengan normal” (Wawancara pada 12 Maret 2018 pukul 12.25 WIB).

“For the system error, only LKPP that able to fix. So, we have contacted and consulted to LKPP even twice or more. If the respond is

too long, I gave understanding to registrants for uploading later until the system is fixed politely. We just did the consultation to national LKPP, *mas*. Contacting LKPP twice or more and giving understanding the registrant about the error system is able to overcome the obstacle but not immediately. Even it's not ended immediately. Contacting LKPP twice or more is the only way to overcome the obstacle of error system of e-Procurement. Indeed, LKPP will respond it although isn't immediately. In a few days or even weeks, LKPP gave confirmation to LPSE about the system is already fixed. So, only contacting LKPP that LPSE able to do in overcoming the obstacle of system error. Then we waiting for LKPP to do it and after that LKPP fixed the system. After the system is fixed, the registrant can be uploading the documents normally" (Interview on 12 March 2018 at 12.25 WIB).

Above statement has the meaning that the system error can only be fixed by LKPP in Jakarta. LPSE has already contacted and consulted with LKPP once or more. If the response provided by LKPP is too long, the Registration and Verification Unit strives to provide an understanding to the registrant to upload the document when the system has been properly fixed. Contacting and consulting with LKPP is the only way to overcome this obstacle. Trying to contact and consult with LKPP can overcome the obstacle of not being able to upload documents or data to e-Procurement System. However, it's not in an immediate response. LKPP will notify LPSE if that the system has been fixed. After the system is fixed, the registrant can upload the document normally.

The third statement is from the Support and Services Unit obtained from interviews conducted by the researcher. His statement is,

"Jadi, kita minta screenshotnya sebagai penjelasan dan terus kita minta lagi dokumennya ke LKPP pusat di Jakarta. Upaya kami minta screenshot sebagai penjelasan dan bertanya dua kali ke LKPP mengenai dokumenya itu ternyata bisa mengatasi kendala panitia lelang enggak bisa mengunggah dokumen ke e-Procurement. Sayangnya, upaya kita enggak bisa ngatasin kendala dengan segera karena kami bergantung pada konfirmasi LKPP yang tanggapannya

sering kali lama” (Wawancara pada 14 Maret 2018 pukul 12.45 WIB).

“We have asked for the screenshot as explanation and then we asked again for the documents to LKPP center in Jakarta. Our effort to ask for the screenshot as an explanation and asked twice to LKPP for the documents is able to overcome the obstacle of auction committee couldn't uploading the documents into e-Procurement. Unfortunately, our effort isn't able to overcome the obstacle immediately because we are depended on LKPP confirmations who response is often long” (Interview on 14 March 2018 at 12.45 WIB).

The above statement has the meaning that LPSE asks for a screenshot as an explanation and then requesting the document back to LKPP. The effort was able to overcome the obstacle of not being able to upload documents or data to e-Procurement Service system. Precisely, the obstacle imposed by the Support and Services Unit is the auction committee in the Malang City could not have uploaded the documents into the e-Procurement System in order to provide an explanation for providers. Unfortunately, the LPSE effort is unable to overcome the obstacle immediately because of the LKPP 's frequent response.

There are several other efforts to be explained by the researcher. The efforts that will be described next are efforts undertaken to overcome the obstacles faced by some organizational structures or obstacles faced only by one organizational structure. The obstacles in intend are the obstacles faced by no more than two parts of the organizational structure of LPSE of Communications and Informatics Service of Malang City or any obstacles other than those mentioned in the preceding paragraphs.

The following efforts are efforts undertaken to overcome obstacles regarding the unequal quality of human resources at LPSE of Communications and

Informatics Service of Malang City was formerly. Head of LPSE facing unequal obstacle of human resources at LPSE of Communications and Informatics Service of Malang City which cause service to user and provider of e-Procurement System less than optimal and less satisfactory. Here is the following statement from Head of LPSE that is an effort to overcome obstacle of unequal human resource at LPSE of Communications and Informatics Service of Malang City,

“Beberapa kali studi banding ke LPSE Kota/ Kabupaten lain yang kami anggap lebih baik lebih maju, jadi kita intropeksi diri, kurangnya apa, harus seperti apa, harus gimana, pelayanannya harus seperti apa. Temen - temen punya standar pelayanan sendiri. Terkait kualitas, kita tingkatkan ikut BIMTEK. Ada pelatihan LKPP kita ikut. Harapannya semua dapat memenuhi standar yang ada. Intinya kan kalau evaluasi itu perbaikan, ya kalau ada kurang, ya kita perbaiki sendiri kalau bisa. Yah, inti dari hasil evaluasinya ya paling tadi mas. Kalau sumber daya manusianya kurang. Cara mengatasinya itu tadi kita studi banding ikut pelatihan dari LKPP pusat kalau ada, kayak BIMTEK. Kalau saat mengevaluasinya sih gk ada hambatan ya, kita bareng” mengevaluasinya kurangnya apa, apa yang harus di perbaiki (evaluasi). Meskipun, LPSE punya hasil evaluasi yang buruk dari aspek sumber daya manusia dulunya. Namun, sekarang kita sudah punya sertifikat standardisasi meskipun dalam proses panjang yang disebabkan oleh respon LKPP yang terlambat dan salah satu dari 17 poin yang harus dipenuhi adalah standar manajemen sumber daya manusia” (Wawancara pada 05 Maret 2018 pukul 13.50 WIB).

“Several times, we did comparative studies to other LPSE cities/districts that are considered better and more advanced. From the results of comparative studies, we do self-introspection, lack of what, what should be/should be how, and what kind of service should be. Each structure has its own service standards. Related to the quality, we improved by following Technical Guidance (BIMTEK). We attended training from LKPP Center if it is held. Hope for all that is able to meet the existing standards. The essence of the evaluation is improvement. If there are less, we fix it ourselves if we can. That's the essence of evaluation, *mas*. If the human resources are lacking and how to solve it. I have explained earlier, we comparative study to participate in training from the center if there is such as Technical Guidance. If while we evaluating, there are no obstacles. We do together to evaluate the lack of what and what to improve. Even

though, LPSE experienced bad evaluation results in human resources aspect in the past. However, now we already have the standardization certificate although in a long process caused by LKPP respond that is too late and one of 17 points that have to be fulfilled is standard of human resource management” (Interview on 05 March 2018 at 13.50 WIB).

The above statement has the meaning that LPSE of Communications and Informatics Service of Malang City several times conducted a comparative study to LPSE from City or other Districts that are considered better and advanced to make comparisons and the results of these comparisons made a future improvement for LPSE of Communications and Informatics Service of Malang City. Related to the quality of human resources, LPSE is trying to improve it by following Technical Guidance or other training from LKPP. Head of LPSE hope that all organizational structure of LPSE of Communications and Informatics Service of Malang City can meet the existing standards. LPSE does not experience any obstacles when evaluating which is usually done at the end of the year. Formerly, LPSE of Communications and Informatics Service of Malang City has poor evaluation results on human resources. However, LPSE now has a certificate of standardization, one of which has human resource management point to be met. In other words, LPSE now has good human resource management from year to year.

Unlike the Head of LPSE, the Staff of the Administration Sub-division assumes that unequal quality of human resources is not an obstacle. The staff of the Administration Sub-division assumed that the unequal quality of human resources occurring at the LPSE of Communications and Informatics Service of Malang City was an unfulfilled expectation. Here is the following statement from

the Staff of the Administration Sub-division which is an effort to meet the expectation of equitable human resources at LPSE of Communications and Informatics Service of Malang City,

“Jadi, mas. Kalau dari saya yaitu saya sendiri berusaha untuk memperbaiki diri dari apa yang kurang. Kurangnya bisa diketahui dari hasil evaluasi tiap tahun. Di LPSE itu ada kegiatan studi banding dan kita juga usahakan bareng ikut pelatihan yang ada, biasanya itu BIMTEK. Itulah mas, usaha yang kita lakukan agar sumber daya manusia disini jadi lebih baik. Baru-baru ini LPSE ada kemajuan kinerja yang baik dari tahun sebelumnya. Terbukti dari sertifikat standardisasi yang sudah ada” (Wawancara pada 07 Maret 2018 pukul 13.25 WIB).

“So, mas. From me, that is my own trying to improve myself from what is lacking. Lack can be known from the evaluation results of each year. In the LPSE there are comparative study activities and we also try to join the existing training which usually is BIMTEK. That's mas, the undertaken efforts to make the human resources here become better. Recently, LPSE has a good performance progress from previous year. It's proven by standardization certificate that already have” (Interview on 07 March 2018 at 13.25 WIB).

The above statement has the meaning that the Staff of the Administration Sub-division is trying to improve herself from the deficiencies contained in the evaluation results. There is a comparative study activity at LPSE of Communications and Informatics Service of Malang City. LPSE of Communications and Informatics Service of Malang City tries to attend the existing training and usually the training is Technical Guidance. That is the efforts undertaken by the Staff of the Administration Sub-division and LPSE of Communications and Informatics Service of Malang City to improve the quality of human resources. Lately, LPSE has been good performance developments and proven by standardization certificate that already have.

The following efforts are efforts to overcome the obstacle of difficult to communicate when giving clues, explanations, and guides to subordinates. Head of LPSE faced this obstacle due to unequal human resources at LPSE of Communications and Informatics Service of Malang City. Here is the following statement from the Head of LPSE that is the efforts to overcome these obstacles,

“Makanya kita harus saling bimbing biar sama-sama bareng pahamnya. Kalau dari saya, saya ajak mereka diskusi pelan-pelan. Diajak ngomong sekali harus nyaut bareng, itu kendala dari sumber daya manusia. Diajak ngomong pelan pelan, ada juga yang harus dijelaskan secara individu dengan pelan pelan. Terkadang, saya bimbing mereka yang belum paham secara individu. Yah solusinya itu semuanya. Ajak ngomong pelan pelan, kadang harus dijelaskan satu satu. Harusnya sih diajak ngomong sekali nyaut bareng. Jadinya harus pelan pelan ngasih bimbingan bareng-bareng. Kadang bimbing secara individu juga biar lebih jelas untuk yang belum paham. Saya bersyukur karena teman-teman LPSE lainnya kadang-kadang juga membantu saya menjelaskan ke teman-teman yang belum paham dan bantuan dari teman-teman sangat membantu. Saya rasa upaya yang dilakukan berhasil mengatasi hambatan berkomunikasi yang sulit. Saya berharap teman-teman lainnya mudah memahami petunjuk, penjelasan, dan panduan yang diberikan dari saya” (Wawancara pada 06 Maret 2018 pukul 12.00 WIB).

“Therefore, we must do mutual guidance to be the same understanding. If from me, I invite them to discuss slowly. I want if they are invited to talk and able to understand together, it's an obstacle of human resources. I Invoked them slowly speaking, there is also one that should be explained individually and slowly. Sometimes, I guide them who do not understand yet individually. So that's all the efforts. Invoked them to speak slowly, sometimes must be explained one by one. It should be able to understand simultaneously in once discussion. So, it must slowly in giving guidance for everyone. Sometimes, I guide them individually in order to be clearer for those who do not understand yet. I am grateful because there are coworkers sometimes also assist me explaining to those who do not understand yet and the assistance from coworkers is very helpful. I think this effort is succeeding to overcome the difficult communication obstacle. I hope for the subordinates are easy to understand the clues, explanations, and guides given from me” (Interview on 06 March 2018 at 12.00 WIB).

The above statement has the meaning that everyone working in the LPSE should guide each other. Head of LPSE invites all organizational structure LPSE of Communications and Informatics Service of Malang City to discuss slowly. The existence of this obstacle is caused by the unequal human resources in LPSE of Communications and Informatics Service of Malang City. Sometimes, the Head of LPSE guides and explains to those who do not yet understand individually and slowly. The head of LPSE is grateful that everyone working in LPSE helps each other for those who do not understand. The assistances are valued by the Head of LPSE. These efforts undertaken by the Head of LPSE and all elements in LPSE of Communications and Informatics Service of Malang City are succeed to overcome the obstacles faced by Head of LPSE. Head of LPSE hopes to other friends or subordinates to be able to easily understand everything that is given by Head LPSE especially in terms of communication.

Further effort is an effort to overcome the obstacle of sometimes the tasks is piled up. The staff of the Administration Sub-division faced this obstacle due to the many tasks assigned to her. Here is the following statement from the Staff of the Administration Sub-division about an effort to overcome that obstacle,

“Jadikan waktu lebih efisien. Jadi, waktu digunakan dengan baik. Istilahnya kelola waktu dengan baik buat ngerjain tugasnya itu biar enggak numpuk. Kelola waktu untuk ngelakuin pekerjaan bisa buat banyak pekerjaan selesai sesuai deadline. Kata lainnya mas, manajemen waktu itu bisa atau berhasil mengatasi kendala tugas menumpuk saya” (Wawancara pada 07 Maret 2018 pukul 13.40 WIB).

“Make time more efficient. So, the time is well used. The term is managing time well so the task does not pile up and I do not overtime. Managing time to do the jobs can make a lot of work finished on deadline. In other words, time management is able or succeed to

overcome my piling up task obstacle” (Interview on 07 March 2018 at 13.40 WIB).

The above statement means that the Staff of the Administration Sub-division tries to use the time more efficiently. In other words, the time is spent as best as possible. Good time management can complete existing tasks without having to pile up and tasks completed as per deadlines. Time management performed by the Staff of the Administration Sub-division can overcome the piling task obstacle.

The next efforts are the efforts undertaken to overcome the obstacle of some facilities are less adequate in LPSE of Communications and Informatics Service of Malang City. LPSE, especially the staff of the Administration Sub-division who has the role of taking care of existing facilities in LPSE. Here is the following statement from the Staff of Administration Sub-division about the efforts to overcome that obstacle,

“Kami siapkan setiap fasilitas pendukung setiap tahun. Kita enggak mau biarkan komputernya lambat ketika ada yang mau verifikasi dan enggak membiarkan internetnya lemot juga. Jadi, kita enggak ikutan gabung dengan internet dari KOMINFO Kota Malang. Kita sudah instal wi-fi sendiri. Untuk meja, dulunya enggak ada meja resepsionis. Akhirnya, kita beli meja resepsionis untuk nerima tamu atau yang mau mendaftar e-Procurement atau cuma verifikasi dokumen dari pendaftar e-Procurement. Persiapan baik di awal tahun untuk meningkatkan fasilitas yang dilakukan sama LPSE benar-benar bisa ngatasi kurangnya fasilitas yang pernah terjadi di LPSE” (Wawancara pada 07 Maret 2018 pukul 13.50 WIB).

“We prepare every year supporting facilities. We do not let the computer running slowly when you someone wants to verify and do not let the internet running slowly too. So, we do not join the internet from Communications and Informatics Service of Malang City. We already installed the Wi-Fi for ourselves. For the desk, there was not a reception desk. Then, we purchased a reception desk to receive guests or registrants who want to register e-Procurement System or just verifying documents from registrants of e-Procurement System. Good preparation in the beginning of year to increase facilities doing by

LPSE is absolutely able to overcome the lack of facilities that ever happened in LPSE” (Interview on 07 March 2018 at 13.50 WIB).

The above statement has the meaning that LPSE prepares support facilities in every year. LPSE does not want the existing computer facilities to run slow and slow internet speeds as well. In the past, LPSE joined Internet from Communications and Informatics Service of Malang City. Now, LPSE already has its own internet. Lately, LPSE does not have a reception desk. But, LPSE now has a reception desk. Preparation done early in the year by LPSE to improve the facility was actually able to overcome the obstacle of lack of facilities that have occurred in LPSE.

The next efforts are the efforts undertaken to overcome the obstacle of sometimes the users or providers of e-Procurement System is forget about the email and password of e-Procurement System account, and incorrect data uploaded to e-Procurement System. These obstacles are faced by the Electronic Systems Administration Unit. Here is the following statement from the Electronic System Administration Unit which is the efforts to overcome that obstacle,

“Misal salah upload. Misal tidak bisa ditangani di daerah, kita serahkan ke LKPP pusat. Yang menyelesaikan helpdesk pusat LKPP. Misal kalau masalahnya hanya lupa password atau email, kita bisa liat di menu e-Procurement. Kita juga ganti email dan password hanya untuk pengguna. Kalau untuk penyedia, yang mengganti itu LKPP pusat. Kalau user dari PPK bisa kita tangani di daerah. Memperbaiki data salah unggah, jika LPSE enggak bisa nangani, kami menyerahkannya ke LKPP pusat di Jakarta untuk memperbaiki data salah unggah. LKPP tentunya bisa mas untuk memperbaiki salah upload data provider meski dalam respon yang lambat. LPSE tentu saja bisa mengubah dan melihat informasi akun pengguna e-Procurement” (Wawancara pada 08 Maret 2018 pukul 12.45 WIB).

“Example is an upload is incorrect. For example, can not be handled in the area, we submit to LKPP. It's to be completed by the helpdesk of LKPP. For example, if the obstacle just forgotten about password or email, we can see in the e-Procurement menu. We also replace email and password only for user. For providers, who replacing is the center LKPP. For the user of PPK, we can handle in the area (LPSE). Fixing wrong uploaded data, if LPSE can't handle it. So, we submit it to LKPP center in Jakarta to fix the wrong data upload. LKPP of course able to fix incorrect data upload of providers even though in slow response and for LPSE of course able to change and sees account information of users e-Procurement System” (Interview on 08 March 2018 at 12.45 WIB).

The above statement has the meaning that if there is wrong uploading data to e-Procurement System and LPSE can not handle, it will be submitted to LKPP central helpdesk. Another case if there is forgotten password and email. LPSE overcomes it by looking in the e-Procurement menu that contains information about users and providers. Based on observation done by researcher on March 15, 2018 At 09.00 WIB to 10:30 WIB, researcher witnessed that the Support and Service Unit is providing consultation services to user of e-Procurement System regarding her forgetfulness about the account password. Support and Service Unit assists Electronic System Administration Unit while the users or providers are forgotten about the account password by login to e-Procurement System using administrator account, searching the account information, and then directly telling to the users or providers the correct password. LPSE can also change email or password from user of e-Procurement System. Email or password from the provider only can be replaced by LKPP in Jakarta. Although in a slow response, LKPP can definitely fix the wrong provider data upload. LPSE of course can change and see information from user of e-Procurement System.

The next efforts are the efforts to overcome the obstacle of the providers are feels difficult to register aggregation. This obstacle is faced by the Registration and Verification Unit. However, this is following statement comes from the Support and Services Unit which is the efforts to overcome that obstacle,

“Kita harus konfirmasi ke LKPP dan kita harus ngirim email. Harus konfirmasi lagi dua kali atau bisa lebih untuk dapatkan balasan. Setelah dikonfirmasi, LKPP memproses tiket. Kemudian, nomor tiket terbuat dan penyedia teragregasi. Tentunya, LKPP bisa menangani agregasi dan memperbaiki data yang enggak bisa dimasukkan. Konfirmasi dua kali atau lebih melalui email atau lainnya ke LKPP enggak bisa segera buat LKPP agar segera merespon. Namun, tetap ditanggapi meskipun terlalu lambat. LKPP masih bisa bantu LPSE untuk menangani pendaftaran agregasi dan memfasilitasi LPSE dalam melayani pendaftar agregasi dengan mudah. Pasti LKPP membantu LPSE dalam menghadapi hambatan kesulitan dalam mendaftarkan agregasi” (Wawancara pada 14 Maret 2018 pukul 13.00 WIB).

“We have to confirm to LKPP and we must send an email. Must be confirm again twice or even more in order to get a reply. After confirmed, LKPP will process the ticket. Then, the ticket number is made and the provider is aggregated. Surely, LKPP able to handle aggregation and fixing the data that can't be entered. Confirm in twice or more through email or anything to LKPP isn't able make LKPP respond immediately. Nevertheless, it's responded even too long, LKPP still adequate to assist LPSE in handling aggregation registration and facilitate LPSE in servicing the registrant of aggregation easily. Indeed, LKPP helps LPSE faced the obstacle of difficulty in registering aggregation” (Interview on 14 March 2018 at 13.00 WIB).

The above statement has the meaning that LPSE must confirm several times by sending an email to LKPP in order to get a response. After confirmed, LKPP will process aggregation tickets. If the ticket is done processed, the provider is aggregated. LKPP certainly can handle aggregation and fix data that is difficult to upload. Multiple confirmations via email can not make LKPP respond immediately. But still be responded though in a slow response. LKPP can still

help LPSE with ease in handling aggregation registration and facilitating it. In other words, LKPP helps LPSE in overcoming the obstacle of difficult in registering aggregation.

The next effort is an effort undertaken to overcome the obstacle of some registrants of the e-Procurement System forgot to provide the original and photocopy of the identity card director that is provider. This obstacle is faced by the Registration and Verification Unit. Here is the following statement of the Registration and Verification Unit about an effort to overcome that obstacle,

“Saya mengingatkan mereka agar membawa kartu identitas direktur asli dan fotokopiannya. Jadi, mereka kembali buat bawa Kartu Identitasnya terus kembali ke sini untuk mendaftar lagi. Mengingatkan pendaftar agar kembali dengan membawa kartu identitas direktur asli dan fotokopi memang benar-benar membantu pendaftar dalam proses pendaftaran. Menurut saya mas, ngingatkan para pendaftar untuk kembali dengan membawa dokumen yang diperlukan itu dapat mengatasi kendala tetapi enggak bisa mencegah kendala kelupaan pendaftar agar membawa dokumen yang tepat dan lengkap” (Wawancara pada 12 Maret 2018 pukul 12.55 WIB).

“I reminded them to bring original and photocopy of director Identity Card. So, they back to bring the Identity Card and then come back here to register. Reminding the registrants to back again with carrying original and photocopy of director Identity Card absolutely helped the registrants in a registration process. I think reminding the registrants to back with carrying the correct required documents is able to overcome the obstacle but can't prevent the forgetfulness of registrant to bring the proper and complete documents” (Interview on 12 March 2018 at 12.55 WIB).

The above statement means that the Registration and Verification Unit does effort to remind the registrants to bring original and photocopied directors' ID cards. Thus, the registrants returned to bring the ID card and then back again to LPSE for registering. Effort to remind the registrants to return to LPSE by bringing everything necessary to register was able to overcome the obstacle that intended.

However, that effort can not prevent the obstacle of registrants forgot to bring everything that is needed properly to register an e-Procurement System.

The next efforts are the efforts to overcome the obstacle of there are some users or providers who still do not quite understand about the features of e-Procurement System. This obstacle is faced by the Support and Service Unit. Here is the following statement from the Support and Services Unit about the efforts to overcome that obstacle,

“Saya menjelaskan dengan lebih pelan dan sederhana mas, kadang-kadang menggunakan perumpamaan sederhana, dan menjelaskan dengan praktik langsung pakai e-Procurement. Setelah saya memberikan penjelasan tentang fitur-fitur e-Procurement secara sederhana, perlahan, dan mempratikkan langsung, beberapa orang yang masih belum mengerti tentang fitur-fitur tersebut dapat sepenuhnya paham” (Wawancara pada 14 Maret 2018 pukul 13.25 WIB).

“I explained more slowly and simply mas, sometimes using a simple parable, and explaining it with the direct practice using the e-Procurement System. After I gave explanations about the features of e-Procurement simply, slowly, and with practice, some persons who still don't quite understand about the features are able fully to understand” (Interview on 14 March 2018 at 13.25 WIB).

The above statement means that the Registration and Verification Unit efforts to explain more slowly and simply to users or providers who have not understood the features of the e-Procurement System. Explain with practice directly using e-Procurement System also done by Unit Registration and Verification. That effort in fact causes some users or providers of the e-Procurement System able to understand the features of e-Procurement System that have not been fully understood.

The next efforts are the efforts undertaken to overcome the obstacles of the system error and there is a user complaint about e-Procurement does not run well. These obstacles are faced by the Support and Service Unit. Here is the following statement from the Support and Services Unit about the efforts to overcome that obstacle,

“Untuk mengatasi kendala lain seperti error sistem. Kalau bisa kita tangani, kita tangani sendiri. Karena kita punya admin PPE yang pegang aplikasi-aplikasi LPSE Kota Malang. Ketika enggak jalan aplikasinya, kita koordinasi ke LKPP pusat. Dari sistem sudah kita siapkan. Kalau ada error segera kita tangani. Meskipun sistem dari LPSE nya enggak error, terkadang dari LKPP nya error. Jadi ketika kita kirim data ke LKPP enggak bisa dan jadinya kita nunggu. Ketika permasalahan selesai, baru kita proses. Jadi, kita harus kontak ke LKPP Jakarta, kirim email kesana dan nunggu jawaban. Jadi, kita agak pasif kalau mengenai sistem error. Menghubungi LKPP dan menunggu tanggapannya, itu satu-satunya cara tepat yang bisa kita lakukan untuk mengatasi kendala komplain dari user. Kalau LKPP telah konfirmasi bahwa sistemnya udah normal lagi, kita ngasih tau ke user dan keluhannya terselesaikan” (Wawancara pada 14 Maret 2018 pukul 13.40 WIB).

“To overcome other obstacles such as system error, while we can handle it, we handle it by ourselves because we have a PPE admin that handles LPSE applications of Malang City. When the applications are not operating, we coordinate to the center LKPP. From the system, we have prepared. If there is an error, we immediately handle it. Although the system from LPSE not error, sometimes from LKPP its error. So, when we send data to LKPP its cant and so we wait. When the problem is over, we just process it. So, we have to contact to LKPP Jakarta, send email and wait for answer. So, we are somewhat passive about system errors. Contacting LKPP and then waiting for the responses of LKPP are the only precise ways that we can do to overcome the obstacle of user complain. If LKPP has confirmed that the system is running normally again, then LPSE will continue the information to user and the complaint solved” (Interview on 14 March 2018 at 13.40 WIB).

The above statement has the meaning that LPSE might be able to handle the error system obstacle by itself because LPSE has a PPE admin (Electronic Procurement

Center) which handles some LPSE applications in Malang City. When the application is not running and is unable to be handled by the PPE admin then LPSE coordinates with LKPP. LPSE try to handle immediately if there is error in some applications of LPSE of Malang City. Although, the system of applications in the LPSE is not error, sometimes the error comes from LKPP in Jakarta. This has an impact on LPSE that can not send data to LKPP. When the error obstacle is solved, then LPSE will overcome the complaint obstacle that encountered. LPSE must contact LKPP in Jakarta and wait for answer to resolve the error obstacle. LPSE is somewhat passive when overcoming the system error obstacle of some applications in LPSE Malang. Contacting, coordinating and waiting for answers from LKPP is the only way that LKPP can do if the LPSE PPE admin can not overcome the existing system error obstacle and user complaint obstacle. When LKPP has confirmed that the system is running normally, LPSE or the Support and Service Unit will forward the information to the complaining user so that the complaint is resolved.

The next efforts are the efforts to overcome the obstacle of there are some users or providers still does not quite understand about the training. This obstacle is faced by the Support and Service Unit. Here is the following statement from the Support and Services Unit about the efforts to overcome that obstacle,

“Untuk sosialisasi dan pelatihan, kalau masih ada yang belum paham. Nanti mereka bisa datang ke LPSE Kota Malang. Terus kita jelasin secara individu dan lebih sederhana agar mudah paham. Setelah mereka datang ke LPSE untuk dijelaskan mengenai pelatihan secara dua kali, lebih pelan, simple, dan praktik. Setelah itu, akhirnya peserta pelatihan bisa memahami pelatihan yang telah diberikan” (Wawancara pada 14 Maret 2018 pukul 14.00 WIB).

“For socialization and training, if there are still people who do not understand. Later they can come to LPSE of Malang City. Then, we explain individually and more simply to be easy to understand. After they comes to LPSE in order to be explained about the training for twice, more slowly, simply, and practically. After that, finally the training participants able to understand the training that has been given” (Interview on 14 March 2018 at 14.00 WIB).

The above statement has the meaning that for users or providers of e-Procurement System who have not understood the socialization or training that has been given then they can come to LPSE Malang City to be explained individually, simpler and direct practice to more easily understand. When they finish receiving explanation directly in LPSE of Malang City then, they can understand fully about the training and socialization that has been given.

That's all the efforts that have been done by LPSE to overcome the obstacles faced. These efforts are performed individually until the entire organizational structure of LPSE of Communications and Informatics Service of Malang City or only done by some organizational structure only. External parties also provide the efforts to overcome the obstacles faced by LPSE. The included external parties are LKPP, Procurement Services Division, and others.

Some efforts that have been done turned out successfully to overcome the obstacles faced by LPSE. However, some failures were also accepted by LPSE when efforting to overcome the existing obstacles. Fortunately, more efforts that undertaken are succed to overcome obstacles than efforts that fail to overcome the obstacles. In other words, the efforts undertaken by LPSE and assisted by others are successful in overcoming the obstacle faced by LPSE. Thus, the results of

these efforts can expedite LPSE in performing its role in organizing the e-Procurement System.

4.3. Data Analysis

4.3.1. The Roles and obstacles faced by LPSE of Communications and

Informatics Service of Malang City

In procuring goods / services, LPSE is in accordance with existing regulations, especially the regulations concerning the latest procurement of goods / services, namely Presidential Regulation No. 16 of 2018 concerning the procurement of government goods / services. Everything LPSE does is based on regulations, not least in terms of ethics. In carrying out its duties, LPSE pays attention to the ethics that must be held tightly by its staff such as doing work professionally and maintaining the confidentiality of work, because LPSE's work relates to state assets and interests. In addition, professionalism in the execution of effective and efficient tasks, and is committed to not accepting all forms of bribery.

Every organization or government institutions perform its roles, duties, and functions based on existing regulations and no exception for LPSE. A researcher will analyze the roles performed by each organizational structure of LPSE of Communications and Informatics Service of Malang City using theories and regulation that can be used.

Each of the roles or functions that have been mentioned in research finding is implemented by LPSE through its organizational structure. Each structure of the LPSE organization structure usually implements one important role. For example,

the role of LPSE that performing registration and verification of procurement systems electronically (SPSE) Users is implemented by the Registration and Verification Unit.

Starting from the role of Head of LPSE of Communications and Informatics Service of Malang City. Role Head of LPSE of Communications and Informatics Service of Malang City outline is to lead LPSE in performing its tasks and functions. The role of LPSE head is the most crucial role if LPSE wants to play its role in organizing or managing e-Procurement System. Based on the organizational structure of Communications and Informatics Service of Malang City, Head of LPSE of Communications and Informatics Service of Malang City received a direct command from Head of Communications and Informatics Service of Malang City and LPSE is a unit directly commanded too.

It is supported by the theory of Mintzberg in Thoha (2009:13) that "the role of the Manager to act as leader. He performed the role to make the unit serves as the Organization in achieving the objectives which the Union leaders need to direct, motivate, create conditions that allow to work for followers ". Thus, the leaders have managed to carry out its role as a responsible leader because of all that happened.

Next is Administration can be explained that the Administration is the Organization's administrative system of systems that work together with another system form a sub goal. Administrations in the sense of a narrow are range in the various activities of the administration. Administration activities are a very important part of the Organization's activities to especially since such activities

concerning penanganan information that is said to act as "blood" for an organization. In the sense that the Administration is usually only associated with activities administration which includes secretarial, drafting correspondence, reports and archives. (Siagian, 2001: 267)

The role of the Administrative Sub-division. In outline, the role of the Administrative Sub-division of LPSE of Communications and Informatics Service of Malang City is to manage everything related to administration from coordinating activities to managing resources. The role of the Administrative Sub-division is the important role. The role is important because the basic needs of LPSE are managed by the Administrative Sub-division, one of which is managing facilities.

The next role is the role of Electronic System Administration Unit. In outline, the role of the Administrative Sub-division of LPSE of Communications and Informatics Service of Malang City is to manage all matters relating to the application of e-Procurement System. The role of Electronic System Administration Unit is an important role to the e-Procurement System directly because Electronic System Administration Unit performs the task of preparing e-Procurement System until providing technical constraints to LKPP.

The theory that supports this research is role theory (the theory of roles) expressed by Kahn et al. (1964). The theory of the role of the individual as stressing social study the behaviour of perpetrators in accordance with the current position in the work environment and the community. Theories try to explain the

role of interactions between individuals in the Organization, focusing on the role that they play.

The next role is the role of the Registration and Verification Unit. In outline, the role of Registration and Verification Unit towards LPSE of Communications and Informatics Service of Malang City is serving e-Procurement user registration and verifying all required documents. The role of the Registration and Verification Unit is an important role when dealing with prospective providers of e-Procurement and serving e-Procurement applicants directly.

The next role is the role of Support and Service Unit. In outline, the role of Support and Service Unit to LPSE of Communications and Informatics Service of Malang City is to help, support, and serve users or registrants directly by providing all the necessary information and knowledge. The role of the Support and Service Unit is an important role when dealing with users, providers, and registrants of e-Procurement System. Especially in dealing with users, it is very significant as Galardi said in his reasearch (Galardi, 2012) that Support and Service unit is a vital element of busineess operations that can impact the bottom line and affect the company's profile in public. When there are some trouble faced by user or registrants, they can directly contact the Support and Service divisions to solve their problems.

Based on the role theory from Sarwono (2002: 89), the role theory describes social interaction in the terminology of actors who play in accordance with what is set by the culture. In accordance with this theory, role expectations are a common understanding that leads us to behave in everyday life. According to this

theory, a person who has a particular role such as doctors, students, parents, women, and so forth, is expected that someone was behaving in accordance with the role. A doctor treats. Thus, because of his status as a doctor, then he should treat patients who come to him and the behavior is determined by his social role.

The above role theory states that every person or organization performs its role as it should be. In accordance with should be can be based on the regulation if for legal based organizations such as government. Because LPSE of Communications and Informatics Service of Malang City is a legal based organization. Thus, the role run by LPSE of Communications and Informatics Service of Malang City must be in accordance with applicable regulations. Reviewed from the results of interviews conducted by researcher, each organizational structure LPSE of Communications and Informatics Service of Malang City has performed its role correctly and according to the regulation of the Regulation of the Head of Government Procurement Policy Number 2 Year 2010 About Electronic Procurement Service.

The smoothness of the role undertaken by LPSE of Communications and Informatics Service of Malang City depends on the leadership of Head of LPSE of Communications and Informatics Service of Malang City. The role of leader in organization is very important and no exception the role of leader in LPSE of Communications and Informatics Service of Malang City. The role of institutional leadership can be an important element of e-Procurement strategy. The Asian Development Bank (2013) in e-Government Procurement Handbook states that political and institutional leadership is the most important elements of an e-GP (e-

Procurement in Public Sector) strategy. A central lead procurement agency is required (which may also be the entity responsible for the e-GP system) that has the capacity and authority to drive the procurement reforms; without this central agency, e-GP will be of limited value.

In Indonesia, the central lead procurement agency is LKPP. LKPP has the greatest authority in implementing the development, formulation, and stipulation of Government Goods/Services Procurement policy (LKPP duty from website <http://www.lkpp.go.id>). It can be concluded if LKPP is the most influential institution to drive procurement reform because it has the greatest authority in advancing Public Procurement or e-Procurement in Indonesia. In the absence of adequate leadership, it is a high risk that the e-GP implementations will be fragmented and that the systems will not be interoperable or possess the core data capture required to enable proper performance assessments. LKPP oversees the LPSE in which LPSE has the role and obligation to provides electronic procurement service system and facilitates ULP/ Procurement Official in procuring electronic goods/services (about LPSE from website <https://lpse.lkpp.go.id>).

Before implementing or adopting e-Procurement System. Knowledge and skills on basic e-Procurement should be mastered. Therefore, the role of Support and Service Unit which is both providing training and socialization should be implemented sooner as possible. Support from different facets or an internal organizational structure is required for the training and support carried out by the Support and Services Unit to work properly. There are various internal factors that

influence E-Procurement adoption by the Indonesian government primarily through LKPP. Previous research from the International Handbook of Public Procurement (Thai, 2009) has highlighted a number of internal factors influencing adoption: staffing levels, training in new technologies, encouragement from management and other departments (in particular information systems) (Osmonbekov et al. 2002), sufficient financial and resource backing (Joo and Kim, 2004), and adequate budget allocations to ensure all the requirements are met.

One of the internal factors mentioned in that research is training in new technologies. From that it can be interpreted that the role of Support and Service Unit is an important role especially in providing new technologies training to LPSE itself, provider and user of E-Procurement Service System, and PPK. For example, new technology training for the latest E-Procurement version should be done so that its use can run smoothly and be understood by those who use and manage or organize E-Procurement Service System.

The roles performed by LPSE of Communications and Informatics Service of Malang City are entirely different from those runs by the Public Procurement Service of South Korea except for one of the same roles regarding the management of e-Procurement application. Public Procurement Service of South Korea is the best South Korean government procurement agency of the world awarded for its e-Procurement implementation. Public Procurement Service of South Korea received awards from various international scale organizations or institutions, one of which was the Best Practice Model in e-Procurement in

November 2004 According to the 2004 UN Global e-government Readiness Report. The success of the Public Procurement Service of South Korea cannot be concluded simply by what roles they perform. However, it can be how the obstacles they face and the efforts they are making to overcome these obstacles. The researcher will explain this in next sub-chapter through analysis.

From the several theories used to analyze. All of the available primary data support all of these theories: (i) role theory from Sarwono (2002: 89) states that the role is carried out properly. All results of interviews conducted by researcher have concluded that the role performed by each structure of LPSE of Communications and Informatics Service of Malang City should be implemented based on the Regulation of the Head of Government Procurement Policy Agency Number 2 Year 2010 About Electronic Procurement Service, (ii) the theory of The Asian Development Bank (2013) in the e-Government Procurement Handbook states that institutional leadership is the most important elements of an e-GP (e-Procurement in Public Sector) strategy. This theory supported by interview result that the limited authority of LPSE in managing e-Procurement System and the need for coordination with LKPP so that the role undertaken by LPSE can run smoothly.

The differences and one same role between LPSE of Communications and Informatics Service of Malang City with the best government procurement agency in the world that is Public Procurement Service of South Korea can't be the reason why South Korea is more successful in implementing e-Procurement. This will be further explored through analysis in next sub-chapter.

Then, I will analyze the obstacles faced by LPSE of Communications and Informatics Service of Malang City in Organizing e-Procurement Service System. LPSE of Communications and Informatics Service of Malang City faced several obstacles faced by each organizational structure. These obstacles arise from both internal and external factor. Internal obstacles faced include the difficulty of communication in the LPSE, the exhaustion in carrying out the tasks given, inadequate facilities, imbalance human resources, and disruptions or error and slow upgrades on the e-Procurement System (SPSE). While external obstacles faced include the difficulty of coordinating, communicating, and lengthy responses of LKPP, forgetfulness of registrants, registrants difficult to register aggregation, limited knowledge and information from users or providers, and complaint from user.

There are two obstacles that become the major obstacles of LPSE of Communications and Informatics Service of Malang City in organizing e-Procurement System. First obstacles are difficulty of coordinating, communicating, and lengthy responses of LKPP. There are three statements from some organizational structure of LPSE of Communications and Informatics Service of Malang City which states that the obstacles they face comes from LKPP. LPSE can't be separated from LKPP dependency. This is because LPSE is part of LKPP which is responsible for conducting operational e-Procurement System in every region in Indonesia.

It is in accordance with the research conducted by Alex (2011) which stated that the main problem in Indonesia LPSE as long as it is related to the

coordination and communication between members. In an institution or company to coordinate some of the members is a thing that is not easy to do. Dissent became one of the factors that make it difficult to do.

The second major obstacle comes from the e-Procurement System. Sometimes errors occur in the e-Procurement System that causes the registration process, data uploads, and consultations to be inhibited in practice. This obstacle is closely related to the obstacle that becomes the first main obstacle. LPSE has limited authority to manage the e-Procurement System in full. Only LKPP has full authority and capabilities and more information in organizing e-Procurement System. Therefore, LPSE will automatically consult LKPP in case of any errors occur that LPSE can not undertake in the e-Procurement System due to the existing limitations.

As has been expressed by Endang (2012) that the error occurs in a network system is a common constraint that is often experienced by the market place and some other public service systems that existed in Indonesia. That is because the less the readiness of the service company in preparing the server needs before it opened to the general public.

The obstacles faced by LPSE of Communications and Informatics Service of Malang City are quite different from the obstacles faced by Public Procurement Service of South Korea. The two major obstacles or difficulties that faced by the Public Procurement Service of South Korea are underdeveloped security measures and incomplete legal framework. That two major obstacles are quite different from what LPSE of Communications and Informatics Service of Malang City has

to deal with the difficulty of coordinating, communicating and lengthy responses of LKPP and the errors occur of e-Procurement System in terms of uploading data or documents. KONEPS (e-Procurement in South Korea) has obstacle on underdeveloped security measures. The SPSE (e-Procurement System in Malang City) has obstacle on uploading data or documents.

This is in line with the research that has been done by Rinanti (2007) that some new institutions in Indonesia is still lacking of communication, lack of cooperation and slow upper party response. One of the institutions facing the problem is LPSE of Communications and Informatics Service of Malang. This resulted in the lack of performance of the institution concerned.

The incomplete legal framework obstacle faced by Public Procurement Service of South Korea is not the same obstacle faced by LPSE of Communications and Informatics Service of Malang City. Legal framework of Public Procurement or e-Procurement in Indonesia is already completed. This is evidenced by any statement of any structure of LPSE of Communications and Informatics Service of Malang City that does not mention at all about facing obstacle from the regulations and existence of the Regulation of the Head of Government Procurement Policy Number 2 Year 2010 About Electronic Procurement Service.

According to David S. Jones journal's (2007) a major impediment in achieving effective public procurement in most of the countries of Southeast Asia has been the fragmentation, ambiguities and limited scope of laws, implementing regulations, and procedures. However, as example in Indonesia there are

regulations and laws about Public Procurement included e-Procurement. In Malang City, particularly LPSE of Communications and Informatics Service of Malang City implements e-Procurement is already based on the regulation. So, Indonesia is not concluded.

Obstacles regarding e-Procurement application are similarly faced by the Public Procurement Service of South Korea and LPSE of Communications and Informatics Service of Malang City. However, significantly that obstacle arise from different aspects. Public Procurement Service of South Korea is facing obstacle of e-Procurement application from security aspect while LPSE of Communications and Informatics Service of Malang City from access aspect to upload data or document. The error obstacle in e-Procurement System faced by LPSE of Communications and Informatics Service of Malang City is closely related to the difficulty of coordinating, communicating, and lengthy responses of LKPP and the imbalance of human resources in LPSE of Communications and Informatics Service of Malang City. The limitation of human resources ability and authority of LPSE of Communications and Informatics Service of Malang City in organizing e-Procurement System application cause high dependence on LKPP in case of error to e-Procurement System. These obstacles cause LPSE of Communications and Informatics Service of Malang City can't implement e-Procurement optimally and the full benefits of e-Procurement can't be achieved.

According to Asian Development Bank (2013) the advantages of e-GP only become available where there is a capacity to reform the practice of procurement. These reform drivers involve political backing, effective bureaucratic leadership,

expertise, and procurement skills that may not be readily understood or available within a government. Where the introduction of technology is not accompanied by the reengineering of work practices, the full benefits of e-GP (e-Procurement in Public Sector) may not be realized. From that theory, there are some aspects that drive the capacity to practice e-Procurement.

Unfortunately, LPSE has not been able to drive two aspects that referred to reach the capacity in practicing e-Procurement System. So, some of these aspects become obstacles. The first aspect is effective bureaucratic leadership. LPSE of Communications and Informatics Service of Malang City is institutionally led by LKPP. However, LKPP has not been able to provide effective leadership because LPSE is still difficult to communicate, coordinate with LKPP and lengthy responses.

Indonesia is currently in a critical period due to the bureaucracy that is far from effective. As Gumilang (2010) argues that bureaucracy in Indonesia is still far from its quality and integrity compared to other Asian bureaucracies. That's because the lack of human resources that have dedication and high quality. So many agencies in Indonesia are filled with human resources are less appropriate and it resulted in poor service of state agencies to the community. Civil servants who are supposed to be servants of the community are less able to perform their duties properly.

Meanwhile, effective leadership in LPSE itself is also still not running well enough. Head of LPSE of Communications and Informatics Service states that he sometimes has difficulties in communicating with his subordinates that causes the

information dissemination is not running effectively. The second aspect is expertise in LPSE of Communications and Informatics Service of Malang City which is still lacking because of imbalance human resources. LPSE often tries to consult with LKPP in overcoming technical obstacle of e-Procurement because of limited abilities and limited authorities to organize e-Procurement System directly. Limited quality of human resources is also available to users and providers of e-Procurement System. Despite, training and socialization had been done there are still some users and providers who have not fully understood e-Procurement. The technical obstacle of e-Procurement has caused other obstacle to emerge, namely complaint from e-Procurement user. One statement from the Support and Service Unit explains that when an error occurs in e-Procurement System, there is user who complain about the e-Procurement due to error.

The obstacles faced by LPSE of Communications and Informatics Service of Malang City were related. Some obstacles can be sourced from other obstacles. For example, the technical obstacle of e-Procurement is causing another obstacle to emerge that is the complaint from e-Procurement user.

The correctness of the journal David S. Jones (2013) on a major impediment in achieving effective public procurement is not supported by this research. A major impediment mentioned by David S. Jenos is not found in any primary data of obstacles faced by LPSE of Communications and Informatics Service of Malang City.

The correctness of the theory from Asian Development Bank (2013) about aspects that can drive government to achieve full benefits in practicing e-

Procurement is supported by this research. From the analysis, the aspect that referred is being the obstacles for LPSE of Communications and Informatics Service of Malang City. So, this causes the full benefits of e-Procurement can't be achieved. Only the achievement of standardization certification obtained by LPSE of Communications and Informatics Service of Malang City also proves that e-Procurement management in LPSE of Communications and Informatics Service of Malang City needs to be developed better.

Capacity between LPSE of Communications and Informatics Service of Malang City with Public Procurement Service of South Korea is different. In terms of achievement, Public Procurement Service of South Korea is better. In other words, South Korea is more experienced and succeed in organizing and implementing e-Procurement rather than LPSE of Communications and Informatics Service of Malang City. However, when analyzed in terms of faced obstacle there is little in common that e-Procurement applications there are still deficiency.

4.3.2. The Efforts Undertaken by LPSE of Communications and Informatics Service of Malang City to Overcome the Obstacles Faced

LPSE has undertaken various efforts to overcome the obstacles faced starting from individual till joint efforts by entire structures of LPSE. Researcher will analyze the effort that has been done by LPSE based on its fruitfulness in overcome the obstacles faced and related theories. Based on the interview result from every position of organizational structure every position of organizational

structure has their own undertaken efforts in order to overcome the faced obstacles.

Efforts undertaken by all or just some part of the organizational structure of LPSE of Communications and Informatics Service of Malang City to overcome the obstacles faced among other: (i) LPSE of Communications and Informatics Service of Malang City seems to have to go to Jakarta to meet with LKPP and discuss about certification, important issues, e-Procurement issues, and coordination issue, (ii) contacting and consulting to LKPP for overcome any obstacle occurred in LPSE of Communications and Informatics Service of Malang City such as error occur in e-Procurement System, wrong uploading data of e-Procurement System and difficult to assist provider in registering aggregation, (iii) LPSE must confirm several times by sending an email and Whatsapp chat to LKPP in order to get a response immediately (iv) LPSE of Communications and Informatics Service of Malang City several times conducted a comparative study to LPSE from other regions or city, (v) every organizational structure in LPSE of Communications and Informatics Service of Malang City guides each other in order to understand the information and knowledge that delivered from Head of LPSE of Communications and Informatics Service of Malang City, (vi) LPSE of Communications and Informatics Service of Malang City prepares support facilities in every year.

Efforts undertaken by one or just some part of the organizational structure of LPSE of Communications and Informatics Service of Malang City to overcome the obstacles faced among others: (i) Electronic System Administration Unit

reminds Head of LPSE of Communications and Informatics Service of Malang City to contact LKPP for upgrading e-Procurement System, (ii) Electronic System Administration Unit appeal to the Procurement Services Division to change the work schedule, (iii) Support and Service Unit asks for screenshot as an explanation to provider, (iv) Staff of Administrative Sub-division managing time more efficient, (v) Electronic System Administration Unit looking in the e-Procurement System menu that contains information about users and providers to overcome forgotten password and email obstacle of users or providers, (vi) Registration and Verification Unit reminding registrants to bring proper document that required such as original and photocopied directors' ID cards, (vii) Support and Service Unit explaining more slowly and simply to users or providers who have not understood the features of the e-Procurement System, (viii) users or providers of e-Procurement System who have not understood the socialization or training that has been given then they can come to LPSE Malang City to be explained individually, simpler and direct practice to more easily understand by Support and Service Unit.

The efforts undertaken by LPSE of Communications and Informatics Service to overcome two major obstacles namely difficulty of coordinating, communicating, and lengthy responses of LKPP and sometimes error occurred on e-Procurement System are (i) LPSE of Communications and Informatics Service of Malang City go to Jakarta to meet with LKPP and discuss about certification, important issues, e-Procurement issues, and coordination issue, (ii) LPSE must confirm several times by sending an email and Whatsapp chat to LKPP in order

to get respond immediately, and (iii) contacting and consulting to LKPP when e-Procurement error occurred and if LPSE can't handle it. In other words, LSPE Communications and Informatics Service of Malang City is very dependent on the assistance of LKPP in overcoming their major obstacles.

If LKPP efforts to help overcome the obstacles of LPSE of Communications and Informatics Service, especially obstacle error on e-Procurement System are succeed. So, other obstacles will also be resolved for example: user complaint in e-Procurement, wrong uploaded data to e-Procurement, incorrect uploaded data in e-Procurement, cannot upload data to e-Procurement, and provider cannot register aggregation will be resolved if e-Procurement System no longer error occurred or run normally. The magnitude of the impact of assistance from LKPP affects not only the main obstacles but also greatly affects the obstacles that comes from major obstacles, especially error occurred on e-Procurement System.

According to Hidayati (2017) LKPP as the e-Procurement center in Indonesia holds the key in the implementation of LPSE performance effectiveness throughout Indonesia. If the relationship between LPSE in one area does not work well with LKPP then all processes will be hampered and it can be bad for the implementation of regional development. The existence of obstacles faced by LPSE is unavoidable, so LKPP is responsible to always do the assistance periodically to anticipate the occurrence of the problem.

LKPP should be able to lead e-Procurement in Indonesia unambiguously and able to assist LPSE as well. The main foundation of success e-Procurement's in Indonesia is high depended in LKPP leadership. LKPP can be a good institutional

procurement leader in Indonesia. Therefore, it is probable that the implementation of procurement in Indonesia will be successful. According to Asian Development Bank (2004), an essential ingredient for successful e-Procurement in public sector implementation is unambiguous government leadership, with, for example, cabinet policy endorsement. Government leadership defines and drives the vision of what is to be achieved. The operational translation of this vision is also crucial and the government will need to nominate a lead agency to implement its policy and manage the risks. A suitable agency may already exist (a specialist procurement agency, for example, may be appropriate). Lead agency endorsement identifies and authorizes a lead agency to lead and manage the transition to e-Procurement in public sector. The idea of a lead agency in this exercise is important for it defines the need for coordination and collaboration across government. Thus, the roles of LKPP as institutional leader of e-Procurement and LPSE as operational unit are the important roles for e-Procurement implementation in Indonesia to run well. This is evidenced by the efforts undertaken by LKPP in assisting LPSE to overcome the obstacles faced is crucial. In other words, LKPP assistance is very meaningful for LPSE of Communications and Informatics Service of Malang City to overcome the obstacles.

The success of e-Procurement implementation depends not only on LKPP leadership. However, the leadership of Head of LPSE of Communications and Informatics Service of Malang City in leading LPSE of Communications and Informatics Service of Malang City becomes important as well. Unfortunately, the Head of LPSE of Communications and Informatics Service of Malang City

leadership has difficulty in communicating with subordinates caused by imbalance human resources in LPSE of Communications and Informatics Service of Malang City and lack of understanding on the information delivered.

The effort done by Head of LPSE of Communications and Informatics Service of Malang City to overcome the obstacle is by using one-way communication process. One-way communication process is an individual or a four-eye communication with a slow tempo of communication. Cooperation is also carried out by the entire organizational structure of LPSE of Communications and Informatics Service of Malang City by mutually explaining each other especially to individuals who have not yet understood the information. These efforts successfully overcome difficult obstacles to communicate. Thus, the delivery of information successfully understood by subordinates Head of LPSE of Communications and Informatics Service of Malang City. This success is evidenced by the statement said by Head of LPSE of Communications and Informatics Service of Malang City itself when the researcher conducted the interview "I think these efforts are succeed to overcome the difficult communication obstacle. I hope for the subordinates are easy to understand the clues, explanations, and guides given from me ".

According to Berlo (1960), a one-way communication process is a communication process consisting only of four components, namely source, message, channel, and receiver or receiver. However, in each of these components, there are a number of control factors. One of those is factors of human resources quality consist of skills, attitudes, knowledge, social systems,

and culture of the source or person sending messages are important factors in determining the message content, treatment, and encoding of messages. These factors also affect the recipient of the message in interpreting the contents of messages sent. If taken by example from effort undertaken by Head of LPSE of Communications and Informatics Service of Malang City above, the LPSE 's Communications and Informatics Service of Malang City head strives to provide the message content as best as possible to be easily understood by its subordinates by a one-way communication process and improves the LPSE headman's own human resource. In other words, Head of LPSE of Communications and Informatics Service of Malang City strives to provide one-way communication with message content that is as easy as it can be understood or interpreted by his subordinates. The ability of this interpretation is determined by the human resources of each individual including the Head of LPSE of Communications and Informatics Service of Malang City itself. In other words, the human resource quality factor is very influential on the success of the effort undertaken by Head of LPSE of Communications and Informatics Service of Malang City. Unfortunately, imbalance of human resources is also an obstacle faced by LPSE of Communications and Informatics Service of Malang City.

LPSE of Communications and Informatics Service of Malang City conducted a comparative study and participated in training or socialization. The effort was undertaken to overcome the imbalance of human resource in LPSE of Communications and Informatics Service of Malang City. Unfortunately, there are some users and providers of e-Procurement System which also have less

human resource quality. This is evidenced by other obstacles that arise that there are some users or providers who still do not understand the features of e-Procurement System and lack of understanding of the training that has been given. Thus, one-way communication process is also done by the Support and Service Unit to overcome these obstacles. Favorably, these efforts have successfully overcome the referred obstacles.

As Swastini (2016) argues that some institutions in Indonesia have sought to take a more approach to the problems faced by their users/communities. SPSE approach is quite attractive with a personal approach, talk to the eyes of the eyes. This is because SPSE realizes that there is still a lack of literate Indonesian society, so personal approach is needed.

As a proof, Head of LPSE of Communications and Informatics Service of Malang City states standardization certificate has been obtained where one of the requirements that must be met is human resources management. Support and Service Unit also states after users and providers come to LPSE of Communications and Informatics Service of Malang City to explain individually about e-Procurement, they finally understand how to use e-Procurement.

According to Khi V. Thai (2017) E-Government Procurement (e-GP) or e-Procurement in Public Sector is a catch-all term incorporating many aspects of electronically-assisted procurement. There is no doubt that the Internet is drastically changing the way procurement is done globally. Most Important basic requirement need to be fulfilled before an e-Procurement system can achieve maximum potential in government is procurement officials and users or providers

to be trained. It has the meaning, training for officials and users or providers to be the most important basic requirement to be fulfilled before the e-Procurement system can achieve maximum potential in government. In other words, the maximum potential for e-Procurement in government can be achieved if officials and users or providers have been trained. The efforts undertaken by LPSE of Communications and Informatics Service of Malang City in training users or providers have benefits not only for users or providers to understand how to use e-Procurement. Training for users or providers should be done before LPSE of Communications and Informatics Service of Malang City wants to reach the maximum potential of e-Procurement.

Based on the analysis and the results of interviews conducted by researcher, there are more efforts are successful in overcoming obstacles than those that do not succeed. However, one of the main obstacle that the difficulty of coordinating, communicating and the long response from LKPP cannot be overcome by LPSE. This is because the effort is not effective and does not solve the problem to the source. Head of LPSE argues that the root of the difficulty of coordinating, communicating and long-standing responses from LKPP is overwhelmed in managing the number of LPSE's throughout Indonesia.

There are some theories that used by research to analyze data. Based on the above analyses, those theories are supported and justified. Theory according to Asian Development Bank (2014) an essential ingredient for successful e-Procurement in public sector implementation depended on government leadership is correct and supported by the analysis. As a proof, LPSE depended on leadership

role and assistance of LKPP to overcome the obstacle faced by LPSE. Without the leadership and assistance from LKPP, LPSE cannot organize e-Procurement System smoothly and implementation of e-Procurement in Malang will be hampered.

Theory according to According to Berlo (1960) factors of human resources quality consists of skills, attitudes, knowledge, social systems, and culture of the source or person sending messages are important factors in one-way communication process. This theory is correct and supported through above analyses. As a proof, Head of LPSE of Communications and Informatics Service of Malang City is succeed to overcome communication problems with his subordinates by applying Berlo theory. It's succeed because all of organizational structure LPSE of Communications and Informatics Service of Malang City and Head of LPSE are cooperating through fitting up the low aspect of human resources quality and Head of LPSE itself trying to improve the message that delivered with more ease to understand by individual with low knowledge or low human resource capability. So, human resource becomes the factor that able to drive effort being succeeded.

Theory according to According to Khi V. Thai (2017) most important basic requirement need to be fulfilled before an e-Procurement system can achieve maximum potential in government is procurement officials and users or providers to be trained. This theory supported through above analyses. As a proof, LPSE was participating in training and socialization along with users, and providers of e-Procurement System. The participation in trainings and socialization is expected

for e-Procurement at LPSE of Communications and Informatics Service of Malang City able to achieve its objectives and achieve its maximum potential.



CHAPTER V

CLOSING

5.1 Conclusion

Based on the results of the discussion or analysis conducted by researcher, it can be concluded several things as follows:

1. Based on the interview results from Head of LPSE Communications and Informatics Service of Malang City, conducted by researcher. In procuring goods / services, LPSE is in accordance with existing regulations, especially the regulations concerning the latest procurement of goods / services, namely Presidential Regulation No. 16 of 2018 concerning the procurement of government goods / services. Everything LPSE does is based on regulations, not least in terms of ethics. Furthermore, the steps or procedure of e-Procurement until the bidding in LPSE Communications and Informatics Service of Malang City carrying out in accordance with that presidential regulation;
2. Based on the results of interviews with the Head of LPSE, it can be seen that the positive impacts or consequences of the procurement of goods / services electronically includes (1) simplifying the procurement process, (2) the process becomes more effective and efficient, (3) reducing transaction costs due to reduced telephone or fax use or documents that use paper, (4) reduce the time of ordering goods, (5) coverage becomes wider (6) Increase user satisfaction. While for the negative impacts or consequences of the procurement of goods / services electronically includes (1) human resources

still do not fully understand the issue of e-procurement applications, (2) very high negligence rates, (3) the range of the state auction schedule is still not fully able to be followed by the procurement committee exactly as specified, (4) the availability of internet connection facilities and other supporting facilities is still very limited, (5) limited bandwidth;

3. Based on the results of the interview with Head of LPSE, it can be seen that there are other obstacles in the implementation of procurement of goods / services electronically, namely constraints related to organizational culture in the form of habitual attachment to procuring goods / services manually, so many still face to face in the process of procurement of goods / services which can trigger fraud;
4. The roles, duties, functions, and subject matter of the Electronic Procurement Service are set forth in Regulation of the Head of Government Procurement Policy Agency Number 2 Year 2010 About Electronic procurement service. Based on the website (<https://lpse.malangkota.go.id>), broadly the role of Electronic Procurement Service is to organize the electronic procurement system and facilitate the Procurement Services Unit / Procurement Officials in carrying out the e-Procurement of goods / services;
5. Based on the results of interviews conducted by researcher, LPSE Communications and Informatics Service of Malang City perform its role in accordance with what is mentioned in Regulation of the Head of Government Procurement Policy Agency Number 2 Year 2010 About Electronic Procurement Services. Each organizational structure of LPSE of

Communications and Informatics Service of Malang City performs its role in accordance with what is mentioned in the Regulations of the Head of Government Procurement Policy Agency Number 2 Year 2010 About Electronic procurement service in Part Three on the Duties of Organizational Devices;

6. LPSE of Communications and Informatics Service of Malang City faces several obstacles when running its roles. These obstacles arise from the external and internal environment of LPSE of Communications and Informatics Service of Malang City. There are two main obstacles faced that are the difficulty of communicating, coordinating, and the length of response from LKPP and errors that sometimes occurred in e-Procurement System (SPSE):
7. Various efforts undertaken by LPSE of Communications and Informatics Service of Malang City to overcome the obstacles faced. These efforts are carried out jointly by the entire organizational structure of LPSE of Communications and Informatics Service of Malang City and individually or only some of the organizational structure of LPSE of Communications and Informatics Service of Malang City;
8. The efforts undertaken to overcome two major obstacles are carried out jointly by the entire organizational structure of LPSE of Communications and Informatics Service of Malang City. The effort is to visit directly to LKPP in Jakarta by discussing everything that is deemed necessary including the obstacles faced by LPSE of Communications and Informatics Service of

Malang City. However, the effort is considered unsuccessful and less effective by most of the organizational structure of LPSE of Communications and Informatics Service of Malang City in overcoming two major obstacles.

5.2 Suggestions

In association with the results of research conducted by researcher, there are several suggestions given:

1. It would be better if the authority of LPSE of Malang City is improved especially in roles of Electronic System Administration Unit. Adding the authority of Electronic System Administration Unit to fix and administrate the e-Procurement website directly, technically, and independently. So, that dependency on LKPP in case of obstacle in e-Procurement System while the system is error can be reduced and LPSE can easily overcome the obstacle;
2. It would be better if there is a monthly bulletin of information and knowledge about e-Procurement in Malang City. There is a possibility of Monthly bulletin existence able to prevent obstacles such as a lack of providers understanding about e-Procurement. After they reading the bulletin, their e-Procurement knowledge and information can be improved;
3. Hold an annual e-Procurement conference in Malang City for government, private sector, experts, and every sector that involved in e-Procurement Service System of Malang City. This conference can discuss anything about e-Procurement in Malang City. The problems, obstacles, and challenges must be discussed as main topics and also have to produce applicable solutions for every sector.

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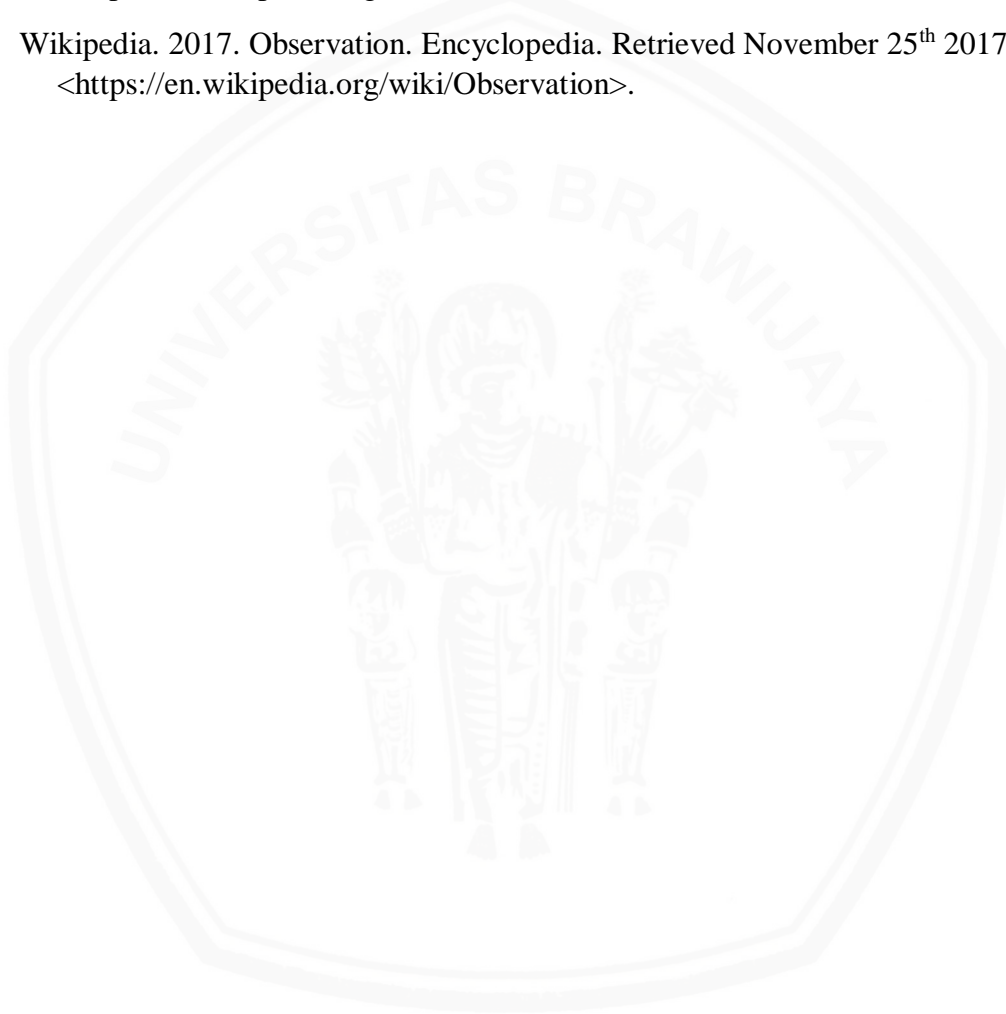
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APPENDIX I

APPLICATION LETTER FOR RECOMMENDATION OF RESEARCH IMPLEMENTATION TO *BADAN KESATUAN BANGSA DAN POLITIK*

KEMENTERIAN RISET, TEKNOLOGI DAN PENDIDIKAN TINGGI
UNIVERSITAS BRAWIJAYA

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Nomor : 079 /UN10.F03.11.11/PN/2018

Lampiran : Fotocopy KTP

Perihal : Riset/Survey

Kepada Yth : Kepala Kepala Badan Kesatuan Bangsa dan Politik Kota Malang

Jl. A. Yani No. 98 Malang

Di Tempat

Dekan Fakultas Ilmu Administrasi Universitas Brawijaya, mohon dengan hormat bantuan

Bapak/Ibu/Saudara untuk memberikan kesempatan dalam melakukan Riset/Survey dan bagi mahasiswa:

Nama : Maulana Kindi Tamami

Alamat : Jl. Kendalsari Gg 1, No 11c, Kec. Lowokwaru, Kota Malang

NIM : 145030107121004

Jurusan : Administrasi Publik

Prodi : Ilmu Administrasi Publik

Tema : The Roles of LPSE in Organizing E-Procurement Service System (Research at LPSE
Kominfo of Malang City)

Lamanya : 2 bulan

Peserta : 1 (satu) orang

Demikian atas bantuan dan kesediaan Bapak/Ibu/Saudara, kami ucapkan terima kasih.

Malang, 24 Januari 2018

a.n. Dekan

Ketua Program Studi Ilmu Administrasi Publik



Dr. Lely Indah Mindarti, M. Si

NIP. 19690524 200212 2 002

APPENDIX II

RECOMMENDATION LETTER FOR RESEARCH IMPLEMENTATION
OF *BADAN KESATUAN BANGSA DAN POLITIK*

PEMERINTAH KOTA MALANG
BADAN KESATUAN BANGSA DAN POLITIK
Jl. A. Yani No. 98 Telp. (0341) 491180 Fax. 474254
MALANG

Kode Pos 65125

REKOMENDASI PELAKSANAAN PENELITIAN
NOMOR : 072/388.01.Pwt/35.73.406/2018

Berdasarkan pemenuhan ketentuan persyaratan sebagaimana ditetapkan dalam Peraturan Walikota Malang Nomor 24 Tahun 2011 Tentang Pelayanan Pemberian Rekomendasi Pelaksanaan Penelitian dan Praktek Kerja Lapangan di Lingkungan Pemerintah Kota Malang Oleh Badan Kesatuan Bangsa dan Politik Kota Malang serta menunjuk surat Kaprodi Ilmu Adm. Publik FIA Univ. Brawijaya Malang No. 975/UN10.F03.11.11/PN/2018 tgl. 24 Januari 2018 perihal : Riset/ Survey. kepada pihak sebagaimana disebut di bawah ini :

- a. Nama : MAULANA KINDI TAMAMI. (peserta : - orang terlampir).
- b. Nomor Identitas : 145030107121004.
- c. Judul Penelitian : The Roles of LPSE in Organizing E-Procurement Service System (research at LPSE Kominfo of Malang City)

dinyatakan memenuhi persyaratan untuk melaksanakan penelitian skripsi yang berlokasi di:
- Dinas Komunikasi dan Informatika* Bagian Layanan Pengadaan Barang/ Jasa Kota Malang.

Sepanjang yang bersangkutan memenuhi ketentuan sebagai berikut :

- a. Tidak melakukan penelitian yang tidak sesuai atau tidak ada kaitannya dengan judul, maksud dan tujuan penelitian;
- b. Menjaga perilaku dan mentaati tata tertib yang berlaku pada Lokasi tersebut di atas;
- c. Mentaati ketentuan peraturan perundang-undangan.

Demikian rekomendasi ini dibuat untuk dipergunakan sebagaimana mestinya, dan masa berlaku rekomendasi ini adalah sejak tanggal *ditetapkan s/d 29 Juli 2018*.

Malang, 8 Maret 2018
An. KEPALA BAKESBANGPOL
KOTA MALANG
Sekretaris,

HERI MULYONO, SIP., MT.
Pembina
NIP. 19720420 199201 1 001

Tembusan :

- Yth. Sdr. - Kaprodi Ilmu Adm. Publik FIA
Univ. Brawijaya Malang;
- Yang bersangkutan.

NB : Yang bersangkutan wajib melaporkan hasil penelitian dan sejenisnya kepada Bakesbangpol Kota Malang.



APPENDIX III

PHOTOS OF RESEARCH IMPLEMENTATION



Photo with Head, Registration and Verification Unit, Support and Service Unit of LPSE of Communication and Informatics Service of Malang City



Conducting Interview with Head of LPSE of Communication and Informatics Service of Malang City

CURRICULUM VITAE OF RESEARCHER



Digital Artist/Content Producer

Passionate working in field of Entertainment or Technology. Experienced in some multimedia projects. I love to work in dynamic circumstances with creative people. I am in progress to build my own Entertainment Company.

English	●	●	●	●	●	●
Korean	●	●	●	●	●	●
Indonesia	●	●	●	●	●	●

Category	Percentage
Multimedia	95%
Illustration	85%
Photo Editing	80%
Management	75%
Leadership	70%

Multimedia	eSports	Arts
Technology	Entertainment	

Making promotional tools for social events that attended by foreigners

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